Thursday
7th April, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

Thursday, 7th April, 1949.

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS

SHORT SUPPLY OF WAGONS FOR TRANSPORT OF CEMENT

*1743. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that due to short supply of wagons, cement could not be moved to places where it was urgently wanted during the year 1948?

(b) Is it a fact that the Cement Marketing Company of India have made representations to Government about the short supply of wagons?

(c) How many wagons were made available for this commodity each month during the year 1948 for movement to various places?

(d) What is the average annual requirement of wagons for transport of cement, so as to meet the full requirements of trade and house constructions?

The Honourable Shri N. Gopalaswami Ayyangar: (a) There is no report to show that cement could not be moved to places where it was urgently wanted during 1948, due to short supply of wagons.

(b) Yes.

(c) The total number of wagons loaded with cement during the year 1948 on Indian Government Railways was 53,570 broad gauge and 8,889 metre gauge. Monthly figures are shown in the statement laid on the table of the House. The tonnage despatched was more than the production.

(d) Information is not available. It may be stated that based on the expected production of cement the monthly requirements during the second quarter of 1949 amount to 7,430 broad gauge and 4,116 metre gauge wagons. The Indian Government Railways have been instructed to meet in full the requirements of Cement Factories for movement of cement from January, 1949.

STATEMENT

Number of wagons loaded on the Indian Government Railways during 1948.

	B. G.	M. G.
January	4,260	979
February	4,343	491
March	4,421	317
April	4,391	67
May	4,161	536
June	4,032	819
July	3,857	855
August	4,765	907
September	4,581	817
October	4,723	834
November	4,991	697
December	5,045	966
TOTAL	53,570	8,889

Shri R. K. Sidhva: Has any complaint been received from any concern or company or corporation about the non-supply of wagons?

The Honourable Shri N. Gopalaswami Ayyangar: I said that complaints were received, some orally and some in a written form.

Shri R. K. Sidhva: What is the position now as regards the supply of wagons?

The Honourable Shri N. Gopalaswami Ayyangar: It is perfectly satisfactory.

Shri R. K. Sidhva: Is it a fact that due to shortage of wagons the Cement Marketing Company had to import cement from Karachi by sea, with the result that import duty had to be paid on it? If wagons were sufficient what was the reason for getting it from Karachi with additional import duty paid to Pakistan?

The Honourable Shri N. Gopalaswami Ayyangar: I do not know about the particular thing mentioned by the honourable member but I can inform him that we have had a written communication from the Cement Marketing Association of India that this thing has been working very satisfactorily and they have not felt any difficulty of any substantial nature.

Shri R. K. Sidhva: Has there been supply of cement from Karachi by steamer?

The Honourable Shri N. Gopalaswami Ayyangar: I understand that is so.

Shri Sita Ram S. Jajoo: Did Government receive any complaint from the Madhya Bharat Government that cement could not be moved in that area due to shortage of wagons?

Shri Ramnath Goenka: Is it a fact that cement is in short supply now?

The Honourable Shri N. Gopalaswami Ayyangar: That question should be addressed to my Honourable colleague in charge of Industry and Supply.

Babu Ramnarayan Singh: When the Honourable Minister said that the position about supply of wagons is satisfactory, may I know whether the public feels like that or is it only the Honourable Minister's own feeling?

Mr. Speaker: Obviously, it is his own view.

MATCH FACTORIES.

*1744. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the total number of match factories in India and whether the production from these factories is sufficient to meet the demands in India?

(b) Are match sticks imported from foreign countries or manufactured from Indian wood?

The Honourable Dr. Syama Prasad Mookerjee: (a) 165. Their production is sufficient for India's requirements.

(b) Indian wood is used for the purpose.

Shri R. K. Sidhva: Has any order been placed for a new match factory from foreign countries?

The Honourable Dr. Syama Prasad Mookerjee: Not to our knowledge.

Shri Mohan Lal Gautam: What percentage of the capital invested in these factories is owned by non-Indians?

The Honourable Dr. Syama Prasad Mookerjee: The five factories of WIMCO belong to foreign countries.

Shri R. K. Sidhva: Has the WIMCO any Indian shareholders? If so, what is their percentage?

The Honourable Dr. Syama Prasad Mookerjee: I think they have some; but the majority of the shares are owned by foreign interests.

Shri R. K. Sidhva: Is it a fact that Government some years ago insisted on WIMCO having a larger number of Indian shareholders? If so, with what result?

The Honourable Dr. Syama Prasad Mookerjee: There has not been any recent approach made; not in my time.

MANUFACTURE OF SOAP

*1745. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the quantity of Washing Soap and Toilet Soap produced by organised industry in the various provinces and states in India?

(b) What is the estimated production of Soap (Washing) by cottage workers in various provinces?

(c) What is the total installed capacity of soap-making plants for manufacturing washing and toilet soaps, in the various provinces of the country?

(d) Is the country self-sufficient so far as the production of soaps, washing and toilet, is concerned?

(e) What was the quantity of washing and toilet soap imported into India during 1946-47 and 1947-48?

(f) Were Indian-made soaps exported to foreign countries in the years 1947 and 1948 and if so, what was the quantity?

The Honourable Dr. Syama Prasad Mookerjee: (a) to (c). A statement is laid on the table of the House.

(d) Yes, Sir.

(e) 245 and 517 tons respectively.

(f) Yes, Sir. 1,310 and 1,466 tons in 1947-48 and from April 1948 to October 1948 respectively.

STATEMENT

Province	Installed Capacity (in tons.)	Production in 1948 (in tons)		
		Organised factories		Cottage and small scale factories.
	(Organised factories.)	Washing soaps.	Toilet soaps.	Washing soaps.
Bombay	76,900	19,444	10,560	7,200
West Bengal	37,900	25,800	3,000	2,000
United Provinces	11,850	7,400	1,570	10,000
East Punjab	7,600	5,460	300	4,500
Madras	2,500	1,520	400	11,600
Central Provinces	1,300	960	40	8,200
Cohin	7,200	5,200	260	2,100
Mysore	2,500	1,700	240	3,200
Bihar	..	..	..	4,800
Assam	..	..	..	2,500
Orissa	..	..	..	400
Delhi	..	..	..	7,000
Saurashtra	..	..	..	4,600
Rajasthan	..	..	..	1,500
Patiala and E. P. States Union.	..	..	..	1,500
Madhyabharat	..	..	..	1,000
Hyderabad	..	..	..	2,000
Baroda	..	..	..	1,500
Travancore	..	..	..	600
TOTAL	149,750	67,484	16,390	76,200

Shri R. K. Sidhva: Is it a fact that there was a dearth of Indian made soap for want of caustic soda? As the supply of caustic soda is made freely may I know if all the soap factories are now self-sufficient?

The Honourable Dr. Syama Prasad Mookerjee: The honourable member is quite right; the position is now satisfactory.

Shri H. V. Kamath: With reference to part (d) of the question, what is the *per capita* requirement of soap and how is self-sufficiency to be determined in this matter?

The Honourable Dr. Syama Prasad Mookerjee: I do not think any statistics are kept. The more soap people can use the better for them.

Shri H. V. Kamath: Is it a fact that washing soap is used as toilet soap by the poorer classes of people in this country? If so, how can one determine their requirements of washing and toilet soaps?

Mr. Speaker: That is an argument.

Shri T. T. Krishnamachari: May I know what the policy of Government is in regard to the expansion of this industry? Are they now permitting new factories on a large scale to be put up. If so, how many will be put up in the near future?

The Honourable Dr. Syama Prasad Mookerjee: At present the production is more than sufficient for India's requirements, except for medicated soap which we do not manufacture and for which certain inquiries are now in progress. In fact the soap manufacturers wanted better facilities for export of soap to Pakistan, which also we have allowed.

Shri T. T. Krishnamachari: Is the Honourable Minister aware that a Danish concern is putting up a very big soap factory in Madras? Have Government given them permission for this?

The Honourable Dr. Syama Prasad Mookerjee: If any permission is wanted for capital issues the matter will be considered.

Shri S. V. Krishnamoorthy Rao: What are the steps that have been taken by Government to make the country self-sufficient in caustic soda?

The Honourable Dr. Syama Prasad Mookerjee: The production of caustic soda has increased now and we are arranging for increased production through the existing manufacturers like Tata's and others. And the position is now satisfactory.

Shri S. V. Krishnamoorthy Rao: In what period do Government expect to make the country entirely self-sufficient?

The Honourable Dr. Syama Prasad Mookerjee: In the course of the next two years we expect to get at least 25 per cent. more increase, and it will take at least five years or so to make it self-sufficient.

Shri R. K. Sidhva: May I know if the quantity of imported soap has been reduced since this improvement in our indigenous industry?

The Honourable Dr. Syama Prasad Mookerjee: As a matter of fact in 1948 the import of soap—household and laundry was only ·4 tons, toilet soap, 1·9 tons and other sorts, 1·9 tons. In all only 4·2 tons were imported. This is in thousands.

Shri Mahavir Tyagi: Has not the free import policy of caustic soda adversely affected the manufacture of caustic soda in this country?

The Honourable Dr. Syama Prasad Mookerjee: No, it has not adversely affected the production; but, of course, so far as soda ash is concerned, there has been a large accumulation and import policy has been adjusted accordingly.

Shri M. Tirumala Rao: Is it the policy of Government to provide facilities for foreign firms to come and set up factories in this country with regard to soap?

The Honourable Dr. Syama Prasad Mookerjee: Not with regard to soap.

REVENUE FROM TRUNK TELEPHONE CALLS

*1746. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Communications be pleased to state the total revenue from Trunk Telephone calls during the years 1946, 1947 and 1948?

(b) How much of this revenue is from the Government of India (each Ministry separately) and how much is from Provincial Governments?

Shri Khurshed Lal (Deputy Minister of Communications): (a) The amounts of trunk call revenue during the years, 1946-47, 1947-48 and April to December, 1948 are Rs. 239 lakhs, Rs. 224 lakhs and Rs. 205 lakhs respectively.

(b) Separate accounts are not maintained, Ministry by Ministry, and as such the information asked for is not available from the records of the Department. The Ministries of the Central Government and Provincial Governments have furnished approximate figures for amounts of expenditure on trunk calls during these years and two statements showing them are placed on the table of the House.

STATEMENT

(i) *The amounts of expenditure incurred by each Ministry of the Government of India.*

(Value in rupees).

Name of Ministry	1946	1947	1948	Remarks
1. Information and Broad. Casting		52,876	46,788	78,830
2. Prime Minister's Secretariat	*Nil.*	*Nil.*	*8,576	*From 1st April 1948 this office came into existence.
3. E. A. and C. R.	6,677	13,388	15,998	
4. Finance	48,791	58,265	76,002	
5. Home	19,337	28,688	18,950	
6. Agriculture	3,153	2,893	5,331	
7. Law	2,748	3,290	7,215	
8. W. M. and P.	5,565	7,324	Figures not received.	This Ministry came into existence from 8th April 1946.
9. Food	28,945	31,991	56,835	
10. States	*Nil.*	4,009	22,529	This Ministry came into existence from 15th August 1947.
11. Defence	4,71,898	5,98,482	6,48,817	
12. Railway	85,236	89,567	1,30,347	
13. Health	16,004	17,421	25,253	
14. Industry and Supply	2,50,592	4,58,526	4,45,141	
15. Education	4,935	11,497	7,681	
16. Relief and Rehabilitation	*Nil.*	5,242	17,772	This Ministry came into existence from 6th September 1947.
17. Communications	35,613	82,549	1,10,604	
18. Commerce	31,173	36,772	45,037	
19. Labour	9,601	13,917	11,567	
20. Transport	10,003	28,316	37,039	

(ii) The amount of expenditure incurred by each Provincial Government and the areas administered by Chief Commissioners.

(Value in rupees.)

Name of the Provincial Government or Chief Commissioner.	1946	1947	1948	Remarks
1. Bombay	66,705	84,883	1,01,396	
2. Madras	59,963	76,411	1,34,006	
3. U. P.	67,036	1,49,337	2,04,498	
4. C. P. & Berar	24,877	25,363	53,653	
5. Orissa	1,454	1,867	6,615	
6. West Bengal	Figures not supplied.	Figures not supplied.	52,000*	*Based on the figures for the last two months (January and February 1949) supplied by the G. M. T. Calcutta.
7. Bihar	Do.	Do.	1,20,000	Do.
8. Assam	Do.	Do.	51,000	Do.
9. East Punjab	Do.	Do.	2,17,968	†Based on the figures for the last two months (January and February, 1949) supplied by the A. G. T. R. Delhi.
10. Chief Commissioner Delhi.	Do.	4,231	156	
11. Coorg	*Nil.*	*Nil.*	*Nil.*	There is no telephone system in Coorg.
12. Ajmer-Merwara	Do.	Figures not supplied.	Figures not supplied.	

Shri R. K. Sidhva: May I know the reasons why a separate account for each Ministry is not kept?

Shri Khurshed Lal: The Telephone Department does not keep separate accounts for each Ministry. We collect our telephone bills and after that the tickets are destroyed.

Shri R. K. Sidhva: Since they send the bills to each Ministry every month an entry to that effect is made in the books. Otherwise how do they make the entries against the Ministry concerned if there is no separate account for each Ministry?

Shri Khurshed Lal: It is not the departmental practice to make accounts for each Ministry or department. The trunk call bills are destroyed six months after the bills are collected.

Shri R. K. Sidhva: May I know, Sir, to whom are the bills sent every six months? Do they not send open letters to each Ministry about the telephone bill?

Mr. Speaker: How does this arise? It is covered by the answer given. They send departmental bills to the various departments, but in posting the accounts they do not post their accounts Ministry-wise: and after six months the bills are destroyed.

Shri R. K. Sidhva: So the account is for each Ministry?

Mr. Speaker: No, no. The matter is very clear.

Shri Khandubhai K. Desai: What is the reduction in the revenue receipts for the last two years?

Shri Khurshed Lal: I do not see much reduction because in 1946-47 it was 230 lakhs: in 1947-48 it was 224 lakhs and 205 lakhs in 1948. Besides it must be remembered that there in 1947-48 the division of India took place and the figures for 1948 are only for nine months.

Shri R. K. Sidhva: What is the revenue from the public?

Shri Khurshed Lal: The public contribute approximately 81 per cent. of the trunk call revenue.

Shri H. V. Kamath: In any of these three years, did any of the bills remain unpaid, or were any written off as irrecoverable?

Shri Khurshed Lal: I would like to have notice of that question.

RECOMMENDATIONS OF PANEL ON SILK INDUSTRY

*1747. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Industry and Supply be pleased to state what steps have been taken to implement the recommendations of the Panel on Silk Industry?

(b) What is the present area under mulberry cultivation and what is the target aimed at?

(c) What is the number of silk looms in India working on a cottage industry basis?

The Honourable Dr. Syama Prasad Mookerjee: (a) to (c). A statement is laid on the table.

STATEMENT

(a) The most important recommendation of the Panel on Silk Industry is the setting up of a Central Silk Board, so constituted as to bring together the knowledge and interests of all Silk producing parts of the Country for the development of the Sericultural industry in India.

Necessary legislation to this effect has already been got through and it is expected that the Board will begin functioning very shortly.

The other recommendations of the Panel relate to the planning of the future expansion of the industry—firstly, by consolidating the present position and later, by increasing the acreage under mulberry cultivation and indigenous production of raw-silk. These suggestions will be considered by the Central Silk Board when it starts functioning and necessary measures taken to implement them.

(b) The area under mulberry cultivation is 1,20,000 acres and the target is 1,37,500 acres. These figures do not include Kashmir where the basis of calculation is the number of trees. The present number is 14,00,000 while the target to be attained is 20,00,000 trees in the next 5 years.

(c) There are about 1,50,000 handlooms working on silk on cottage industry basis.

Shri V. C. Kesava Rao: What is the area under mulberry cultivation, other than Mysore and Kashmir?

The Honourable Dr. Syama Prasad Mookerjee: So far as the total quantity is concerned, it has increased since 1945 from 16 lakhs to 30 lakhs pounds. The area is mentioned in the statement

Shri Mihir Lal Chattopadhyay: Has the indigenous silk industry received a setback owing to the importation of silk from outside?

The Honourable Dr. Syama Prasad Mookerjee: The honourable member is aware that there has been a difference between the price of Indian silk and the price of imported silk. The whole matter has been investigated by the Tariff Board and their report is under examination by Government.

Shri V. C. Kesava Rao: May I know what assistance is proposed to be given for marketing silk goods made under the cottage industry basis?

The Honourable Dr. Syama Prasad Mookerjee: The Silk Board is meeting towards the end of this month and all these matters will be considered by the Board and the recommendations of the Board will be examined by Government.

Shri Mihir Lal Chattopadhyay: Is it under the contemplation of Government to give protection to the indigenous silk industry?

The Honourable Dr. Syama Prasad Mookerjee: Protection is being given now, but unfortunately that protection is not adequate. What Government will do will depend on the results of the report of the Tariff Board. I am not in a position to make an announcement on that.

Shri H. V. Kamath: Is it a fact that in the preparation of *khadi* silk, the silk worm is not killed or subjected to a violent death as in the ordinary process?

Mr. Speaker: Order, order.

Shri Arun Chandra Guha: How far has the import of foreign silk and silk yarn affected the Indian cottage industry for silk?

The Honourable Dr. Syama Prasad Mookerjee: It has not affected adversely now. Of course, as I said, the difference in prices is certainly very large, and Government will have to consider taking some steps for giving protection.

Shri Arun Chandra Guha: How long will it be for Government to take these steps?

The Honourable Dr. Syama Prasad Mookerjee: It will be a fortnight since we received the report of the Tariff Board and it will probably take another fortnight for Government to come to a decision.

Shri M. Tirumala Rao: Has the importation of foreign artificial silk affected the indigenous silk industry?

Mr. Speaker: Order, order. This question has been put before.

Shri Mihir Lal Chattopadhyay: Is the import of silk allowed?

The Honourable Dr. Syama Prasad Mookerjee: It is but with a heavy import duty.

LOSS OF FOOD STUFFS.

*1748. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Food be pleased to state whether the food stuffs lost due to bad storage during the last financial year are covered by insurance?

(b) If the answer to part (a) above be in the affirmative, what is the amount claimed and received?

The Honourable Shri Jairamdas Doulatram: (a) No.

(b) Does not arise.

DELIVERY OF AIR MAIL LETTERS AND TELEGRAMS BY MOTOR CYCLE MESSENGERS.

*1749. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Communications be pleased to state whether it is proposed to employ motor-cycle messengers for the delivery of air-mail letters and telegrams?

(b) In which of the cities is this system proposed to be introduced?

Shri Khurshed Lal (Deputy Minister of Communications): (a) Since all letters and postcards are being carried now by air over all air routes, and there is no longer a separate Air Mail as such, the question does not arise so far as delivery of air mail is concerned. In connection with delivery of telegrams, motor cycles are at present used at New Delhi, Nagpur, Calcutta and Madras for their conveyance by Despatch-riders from the Central Telegraph Offices to zonal delivery centres established in the town, wherefrom door-to-door delivery is effected by a separate set of telegraph messengers travelling on bicycles or on foot.

(b) The system of conveyance of telegrams described at (a) is proposed to be extended shortly to Bombay, Lucknow, Kanpur, Ahmedabad, Muzaffarpur, Cuttack and Ranchi.

Shri R. K. Sidhva: May I know whether, since this new system was introduced, letters have been delivered 24 hours later than what it used to be before this system was introduced?

Mr. Speaker: Order, order. The honourable member is giving information.

Shri R. K. Sidhva: May I know what is the position since this new system has been introduced about delivering letters?

Shri Khurshed Lal: The introduction of the new system was effected on 1st April. Involving as it did a complete change over from the old system of carrying mails, it did cause some confusion. But it is hoped things will settle down by the 15th of April.

Shri H. V. Kamath: Have reports reached the Deputy Minister that many ordinary telegrams, and sometimes even "express" telegrams, take longer to reach their destination than letters by air?

Shri Khurshed Lal: My information is that the delivery of telegrams has been considerably expedited.

Shri M. Tirumala Rao: Are Government satisfied that 95 per cent. of the mails carried over land before are being carried properly by airmail today?

Shri Khurshed Lal: There is no question of 95 per cent. of mails carried over land now being carried by air. As the Honourable Minister for Communications has stated, the number of letters which will be carried by air routes will be 25 per cent. of the total mail in the country. All the letters where there are air routes will be carried by air, and as I said, it is hoped that by the 15th April arrangements will be complete.

Shrimati G. Durgabai: Is Government aware of the fact that the advantage gained by sending these letters early by airmail is lost by delivering them late by sticking to the old system?

Shri Khurshed Lal: I do not know how the advantage is lost. But if the honourable member will point out the difficulty to me I will try to remove it.

Shri Deshbandhu Gupta: Is it a fact that ever since the introduction of the new system, letters are being delivered which are not stamped at destination?

Shri Khurshed Lal: I do not know if that practice has already been adopted in Delhi. But it is the idea to avoid fixing delivery stamps on letters in important towns, because that causes delay.

Shri Deshbandhu Gupta: Is it realized that it is difficult for addressees to know the time that their letters were received at the place of destination?

Mr. Speaker: Order, order. The honourable member is arguing.

OUTPUT OF PAPER MILLS.

†1750. **Seth Govind Das:** (a) Will the Honourable Minister of Industry and Supply be pleased to state how much paper has been imported into India during the year 1947-48 and from what countries it was imported?

(b) What is the expected output of Indian paper during 1948-49?

The Honourable Dr. Syama Prasad Mookerjee: (a) 45,719 tons, mainly from the Scandanavian Countries; the United States of America, the United Kingdom, Newfoundland and Labrador, Czechoslovakia, France and Belgium.

(b) 97,655 tons.

† Answer to this question laid on the table, the questioner being absent.

COMMUNICATIONS WITH ANDAMAN AND NICOBAR ISLANDS

*1751. **Shri Brajeshwar Prasad:** (a) Will the Honourable Minister of Communications be pleased to state whether there is any aerodrome in Andaman and Nicobar Islands?

(b) If not, do Government propose to have one and if not, why not?

(c) Are these Islands connected with the rest of India by Telephone and Telegraph and if not, do Government propose to establish such connection?

(d) If so, when and if not, why not?

Shri Khurshed Lal (Deputy Minister of Communications): (a) and (b). There are two Aerodromes, one at Port Blair and the other at Car Nicobar—The Aerodrome at Port Blair is not in a serviceable condition; the other is useable.—The question of restoring the Aerodrome at Port Blair to a serviceable condition is under consideration.

(c) and (d). The Islands are connected with the rest of India by wireless telegraph but not by telephone. No proposal for a telephone link is being considered as there has been no demand for it.

ALLOWANCES TO EMPLOYEES OF TATA AIRCRAFT LTD., TITAGHAR (WEST BENGAL).

*1752. **Shri Harihar Nath Shastri:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether it is a fact that he recommended to the Ministry of Finance to pay house rent and compensatory allowances to the employees of the Tata Aircraft Limited, Titaghar (West Bengal);

(b) If so, when was the recommendation made?

(c) Has the recommendation been accepted and if so, with effect from what date?

(d) If not, why not?

The Honourable Dr. Syama Prasad Mookerjee: (a) to (d). It has since been decided to allow House Rent and Compensatory allowances to the employees of Tata Aircraft Ltd., Titaghar on the same basis as these allowances are being paid to Ishapore Ordnance Factory employees, and formal orders will be issued shortly.

* PRODUCTION, IMPORT AND EXPORT OF CLOTH.

*1753. **Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the estimated total quantity of cloth production in India in the year 1949-50, attributable to (i) textile mills and (ii) handloom industry?

(b) What is the estimated yardage of cloth to be imported in 1949-50?

(c) What was the total quantity of cloth produced in India and imported from foreign countries and consumed in India in the year 1948-49?

(d) How much cloth was exported to Pakistan in the year 1948-49 in exchange of cotton bales or otherwise, and how much is expected to be exported to Pakistan in the year 1949-50?

* Answer to this question laid on the table, the questioner being absent.

(e) What quantity of cloth was exported to other foreign countries in the year 1948-49 and is likely to be exported in 1949-50?

The Honourable Dr. Syama Prasad Mookerjee: (a) to (e). A statement is laid on the table.

STATEMENT

(a) In 1948-49 the mills produced about 4,310 million yards of cloth, while the handloom industry produced about 1,250 million yards. The production in 1949-50 is likely to be somewhat less, because of the shortage of cotton.

(b) In 1948-49 the quantity of cloth imported from abroad was about 42 million yards. There is no ceiling for the import of cloth from the Sterling areas. It is difficult to say what the total imports this year will be; but it is not very likely to exceed 50 million yards.

(c) Already answered *vide* (a) and (b).

(d) A quantity of 177.07 million yards of cotton piece-goods including 80.07 million yards of handloom cloth was exported to Pakistan during the period of 11 months ending February, 1949. Under the Inter Dominion Agreement a quota of 1,87,500 bales of cloth was due for supply by 31st March, 1949, and 1,12,500 bales during April-August, 1949.

(e) A total quantity of 173.60 million yards of cotton piecegoods was exported to foreign countries other than Pakistan during the period of 11 months ending February, 1949. As for 1949-50 the target is 500 million yards.

MANUFACTURE OF SYNTHETIC DYE-STUFFS

*1754. **Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether there are any factories here in India manufacturing synthetic dye-stuffs?

(b) If so, where are they situated and what is their annual out-put?

(c) What quantity of this material is annually imported from foreign countries and what is the price thereof?

(d) Have the Government of India any plans for encouraging the manufacture of this material in India?

(e) If so, what are the details of such a scheme, and when is it likely to materialise?

(f) By what time is India likely to be made self-sufficient in this industry?

(g) Are experts available for developing this industry in India?

(h) If not, have the Government of India any scheme in view to avail of foreign technical assistance and if so, from which countries and on what terms?

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes, Sir.

(b) One, Messrs. Naranarayan Dye-stuff and Chemical Works Ltd., at Calcutta and the other, Messrs. Associated Research Laboratories at Bombay. The present production of these two will be about 22 tons only against their capacity of about 25 tons.

(c) 5,900 tons approximately at about Rs. 16,796 per ton.

(d) and (e). A scheme for the manufacture of dye-stuffs under the auspices of the Governments of West Bengal and Bihar and the Damodar Valley Corporation is under consideration. Tatas have a plan for production in co-operation with I.C.I. No final decision has so far been taken in the matter.

(f) It is not possible to predict by what time India is likely to be self-sufficient in dye-stuffs.

(g) Highly qualified experts are not at present available in India.

(h) The Government of India are negotiating with certain foreign firms regarding the feasibility of setting up the manufacture of certain dyes. Efforts are also being made to obtain technical assistance from Czechoslovakia, Italy and Switzerland. The terms on which foreign technical assistance will be available cannot be stated at this stage.

Shri H. V. Kamath: Is it not a fact that in pre-war days a major part of the dye-stuff imports come from Germany and if so, may I know what is the position today as regards imports of this commodity from Germany?

The Honourable Dr. Syama Prasad Mookerjee: We are not getting much from Germany now but we have some German experts here to advise us with regard to the possibility of establishing factories for dye-stuffs.

Shri H. V. Kamath: Where do the present imports come from?

The Honourable Dr. Syama Prasad Mookerjee: From the United Kingdom and some countries on the Continent. I am sorry I have not got the details.

Shri S. V. Krishnamoorthy Rao: What is the value of the import of dye-stuffs?

The Honourable Dr. Syama Prasad Mookerjee: It would be Rs. 16.796 (the cost per ton) multiplied by 5,000 (tons), which comes to roughly about-eight crores of rupees.

Shri M. Tirumala Rao: Arising out of part (g) of the question in reply to which it was said that there are no experts available in India, are Government taking advantage of the large number of students that are being sent abroad on government scholarships for training? Have they trained any students in this dye-industry?

The Honourable Dr. Syama Prasad Mookerjee: If available that will be experts" that is experts of the type who may help us in organising this industry in India. As I have already indicated this whole matter is now under our investigation.

Shri H. V. Kamath: In view of the fact that German dye-stuffs were regarded as the best in pre-war days, have any attempts been made by Government to obtain imports from Germany instead of from the United Kingdom?

The Honourable Dr. Syama Prasad Mookerjee: If available that will be considered but we are more anxious to see that a factory is established in India, so that we may not have to import large quantities.

Shri B. P. Jhunjhunwala: How do the dyes imported from foreign countries compare in quality with the dyes which used to be imported from Germany?

The Honourable Dr. Syama Prasad Mookerjee: I am afraid I cannot say what difference there is.

Shri Mahavir Tyagi: What are our trade relations with Germany May I know whether we are taking full advantage of their technical assistance?

The Honourable Dr. Syama Prasad Mookerjee: As the honourable member knows Germany is occupied and is under the control of various countries. Negotiations have to be made with various countries and that is being done.

Shri Mihir Lal Chattopadhyay: What is the target year by which it is expected that indigenous dye-stuffs will be manufactured in India?

The Honourable Dr. Syama Prasad Mookerjee: It is not possible for me to reply to that. I have already indicated that it is a costly affair and it will cost at least 20 crores.

Shri Mahavir Tyagi: Is it the policy of the Government to trade with those countries which were at war last time with the British Empire?

Mr. Speaker: It is too general a question.

ABOLITION OF ISTIMRARDARI AND JAGIRDARI SYSTEMS IN AJMER-MERWARA

*1755. **Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Agriculture be pleased to state whether Government have received the report of the Sub-Committee appointed by the Advisory Council to the Chief Commissioner, Ajmer-Merwara, on the question of abolition of Istimrardari and Jagirdari systems in the Province of Ajmer-Merwara?

(b) If so, when and what action has been taken or is intended to be taken thereon?

The Honourable Shri Jairamdas Doulatram: (a) Not yet.

(b) Does not arise.

Pandit Mukut Bihari Lal Bhargava: May I know whether the Government has enquired of the Chief Commissioner when the sub-committee of the Advisory Council submitted this report and why it has not been forwarded to the Government of India so far?

The Honourable Shri Jairamdas Doulatram: Government have made enquiries of the Chief Commissioner who said that he would require about two months more, because he wanted to examine the report thoroughly in consultation with some of his officers.

Pandit Mukut Bihari Lal Bhargava: Was the information called for from the Chief Commissioner as to when the report was submitted by the Advisory Council to him?

The Honourable Shri Jairamdas Doulatram: Enquiry as to the date when the Advisory Committee submitted the report was not made. We were told that the report will be sent on to Government and we could expect it within two months.

Shri R. K. Sidhva: To what extent does the report of the sub-committee differ from the report of the select Committee of this House on the Istimrari system?

The Honourable Shri Jairamdas Doulatram: This report of the Advisory Committee deals with the question of the abolition of the system whereas the select committee reported with regard to the relationship between the tenants and the Istimrardars.

Prof. Shibban Lal Saksena: In view of the fact that the proposed tenancy legislation regarding Ajmer Merwara has been deferred till the next session, will the Government give any indication of their intention to promulgate some of the important provisions of the Bill by an ordinance?

The Honourable Shri Jairamdas Doulatram: That matter is under consideration.

Prof. Shibban Lal Saksena: By what time can we expect Government's decision in the matter?

The Honourable Shri Jairamdas Doulatram: I could not state the time; probably within two weeks' time.

Shri Mohan Lal Gautam: Is the Government aware that the relations between the zamindars and the tenants are getting from bad to worse every day?

The Honourable Shri Jairamdas Doulatram: Yes.

Shri Mohan Lal Gautam: What steps do Government propose to take to put an end to this state of affairs?

The Honourable Shri Jairamdas Doulatram: As I said, the question of issuing an ordinance dealing with this matter is under consideration.

Shrimati G. Durgabai: What bearing will this report of the sub-committee have on the report of the Select Committee on this question?

Mr. Speaker: Order, order. These are matters on record. The honourable member may compare the records.

Shri Mahavir Tyagi: Do the malguzardars pay any land revenue to the Government: if so, from when?

The Honourable Shri Jairamdas Doulatram: They pay some land revenue to the Government and I think it was fixed in 1878.

FOOD STUFFS LEFT BY U. S. A.

*1756. **Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Industry and Supply be pleased to state what was the value of foodstuffs left in India by the Government of U.S.A. for disposal?

(b) how much money has been realised for it and how much has been spent out of it in salaries of the staff and other incidental expenditure, both direct and indirect?

(c) Do Government propose to lay on the table of the House a balance sheet showing the income and expenditure, direct and indirect, from the very beginning?

The Honourable Dr. Syama Prasad Mookerjee: (a) Book value of Foodstuffs left in India by U.S.A. was Rs. 8·38 crores (approximately).

(b) and (c). The total sale value realised is about Rupees 3·45 crores. It is not possible to make a separate estimate of the expenditure involved on the custody and disposals of foodstuffs, because there was no separate organisation for foodstuffs.

Shri R. K. Sidhva: I do not want to put question No. 1757, Sir.

PACKAGES IN CENTRAL LOST PROPERTY OFFICE OF B, B. & C. I. RAILWAY

*1758. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Railways be pleased to state what was the total number of packages in the Central Lost Property Office of the B., B. & C. I. Railway in Delhi as on 10th March, 1949?

(b) Is it a fact that there were several packages belonging to the Government of India and that no delivery was taken for months and if so, what are the reasons?

(c) Is it a fact that some of the Railways' own packages were lying undelivered for months?

The Honourable Shri K. Santhanam: (a) The total number of packages in the Central Lost Property Office of the B., B. and C. I. Railway in Delhi on the 10th March 1949 was 3,696.

(b) Yes, there were several packages belonging to the Government of India, which had remained on hand for some months. Some have since been delivered and action is being taken to deliver the others. The reason why the Government consignees did not apply for delivery have not been ascertained, but the responsibility of the railway staff who failed to take action to bring about delivery is being examined.

(c) Certain railway materials which had not been connected also remained undelivered for some months. Disposal has since been arranged.

Shri R. K. Sidhva: What were the articles of which delivery was not taken and for how many months?

The Honourable Shri K. Santhanam: Seven bales and eleven cases belonging to the Ministry of Relief and Rehabilitation and the Manager of Publications, Government of India, respectively. There were also twentyseven tents and fifty boxes, nine unconnected and unclaimed, which appear to be military stores. The seven bales of old cloth belonging to the Ministry of Relief and Rehabilitation and eleven cases of goods for the Manager of Publications were brought to their notice. The question itself arose as a result of my visit to the Lost Property Office and my attempt to dispose of all these goods.

Shri R. K. Sidhva: Were these bales of piece goods which the Honourable Minister said contained woollen and cotton goods, meant for refugees, sent by philanthropic persons from Bombay? If that is so what steps Government intend to take in order to take serious action in this matter against the persons concerned?

The Honourable Shri K. Santhanam: The Ministry of Relief and Rehabilitation was connected and the bales were delivered the very next day.

Shri R. K. Sidhva: What was the reason of the Relief and Rehabilitation Ministry for not taking delivery of the bales?

The Honourable Shri K. Santhanam: I have already stated in reply to part (b) that the responsibility of the railway officials who kept them undelivered is being examined.

Shri R. K. Sidhva: Were the railway receipts available to the Relief and Rehabilitation Ministry and were these receipts presented to the railway authorities and if so, why was not delivery given?

The Honourable Shri K. Santhanam: It is not the case that all these things came directly to Delhi. They were at various stations on the B. B. and C. I. Railway and from those stations they were sent to the Lost Property Office. If the railway receipts had been produced and the parcels claimed, the packages would have been delivered. There must be some fault somewere, either due to the loss of the railway receipt or something else, which led to these goods not being claimed.

Shri R. K. Sidhva: Were there any packages belonging to the Railways themselves which were not taken delivery of for several months?

Mr. Speaker: That matter has been dealt with in the debates.

The Honourable Shri K. Santhanam: On the B.B. and C.I. Railway 241 iron sleepers, 17 pairs of metre gauge wheels, one tablet box and four springs all of which are railway stores were lying unconnected. Strict rules have now been issued that none of such things should be sent to the Lost Property Office.

Shri H. V. Kamath: Have any complaints reached the Honourable Minister that at times the goods or packages deposited in the Lost Property Office are not delivered to claimants but are lost for ever?

The Honourable Shri K. Santhanam: No, Sir. Every attempt is made to get in touch with the people who either send them or who are the consignees and it is only when these efforts fail that they are auctioned.

Shri M. Tirumala Rao: Is there a system of local delivery of parcels in practice in Delhi as there is in Madras and other cities?

The Honourable Shri K. Santhanam: Yes, it has recently been instituted.

Shri R. K. Sidhva: May I know who were the consignors of those railway materials which were not taken delivery of and whether payment was made before delivery was taken?

The Honourable Shri K. Santhanam: I am afraid I have no information on that point.

Shri R. K. Sidhva: Will the Honourable Minister make an enquiry and inform the House whether payment was made before delivery was taken?

The Honourable Shri K. Santhanam: I can make an enquiry.

SHORTAGE OF RAW COTTON

*1759. **Dr. Mono Mohan Das:** (a) Will the Honourable Minister of Industry and Supply be pleased to state what are the causes for the present shortage of raw cotton in the country?

(b) Have Government approached the United States of America Import Export Bank for a loan to purchase cotton from the United States of America?

(c) What steps have been taken by Government to meet this shortage?

The Honourable Dr. Syama Prasad Mookerjee: (a) The present shortage of raw cotton is attributed to the following causes:

(i) A substantial portion of the areas growing cotton of desirable varieties (long and medium staple) are now included in Pakistan.

(ii) Under the 'Grow More Food Campaign' many areas originally under cotton cultivation were diverted to food crop.

(b) No, Sir.

(c) (i) Efforts have been made to import foreign cotton from East Africa, Egypt, Sudan and Pakistan.

(ii) The Government of India are also taking steps to increase the present acreage by bringing back to cultivation those lands which had gone out of cotton cultivation but were diverted to non-food crops as also those lands lying fallow.

(iii) Restrictions have been placed on exports of cotton except for hard currency areas for which only short staple cotton can be exported.

(iv) Under the Inter-Dominion Agreement Pakistan has agreed to supply to the Indian Dominion 6·5 lakh bales of cotton.

Dr. Mono Mohan Das: Is it a fact that some of the mills had to close down actually for want of cotton?

The Honourable Dr. Syama Prasad Mookerjee: That stage has not yet actually been reached but the cotton position is certainly serious.

Dr. Mono Mohan Das: What is the prospect during the current year- will the production increase or decreaee?

The Honourable Dr. Syama Prasad Mookerjee: So far as the current year is concerned the present reports indicate that while the anticipated production was about 27 lakhs we will get about 23·5 lakhs.

Shri Deshbandhu Gupta: Is it a fact that the price is fixed by Government for the purchase of cotton but cotton is not available at that price and factories are forced to buy in black market at a much higher price?

The Honourable Dr. Syama Prasad Mookerjee: There is no question of forcing them to buy. But of course *kapas* is not controlled and many mills have purchased *kapas* at prices which will be higher in relation to the prices fixed for cotton by Government.

Prof. N. G. Ranga: Is the import price of cotton higher than the local price?

The Honourable Dr. Syama Prasad Mookerjee: Undoubtedly the price of the imported cotton is higher than that of Indian cotton.

Prof. N. G. Ranga: How is it that Government have fixed a lower price for the cotton produced here resulting in lower production while they are paying a much higher price for the imported cotton?

The Honourable Dr. Syama Prasad Mookerjee: That depends on the varieties of cotton in the first place, and secondly on the cost of production in India. There are many articles in respect of which we are paying more and importing them from outside at higher price as for example steel.

Shri B. K. Sidhva: May I know whether Government has purchased any cottou from Egypt during this period?

The Honourable Dr. Syama Prasad Mookerjee: Yes, we have purchased from Egypt 200,000 bales.

Shri B. K. Sidhva: What is the rate compared with U.S.A.?

The Honourable Dr. Syama Prasad Mookerjee: The rates are pretty high—about Rs. 900 to Rs. 1,100.

Shri Khandubhai K. Desai: Was the situation accentuated by the export of about 7 lakhs of bales in 1947?

The Honourable Dr. Syama Prasad Mookerjee: In 1947 we exported about 10 lakhs bales—not 7 lakhs—but of course the policy was changed and during 1948-49 we do not expect to export more than about 2 lakhs bales of varieties not needed by Indian mills. This year even this is being restricted.

Shri Upendranath Barman: What is the acreage of cotton which has been diverted to food crops, in which area, and to what food crops?

The Honourable Dr. Syama Prasad Mookerjee: I have not got the information here, but so far as my memory goes it is 5 lakhs acres.

Srijut Kuladhar Chaliha: Have Government taken any steps to improve cotton growing in Garo Hills in Assam?

The Honourable Dr. Syama Prasad Mookerjee: I cannot say exactly about Garo Hills but I am in touch with the various Provinces and I have called a Conference—the Agriculture Minister and myself—which is meeting in Delhi next week where all these questions will be considered.

Shri Arun Chandra Guha: Have the Government selected any particular areas or regions within the Indian Union for increasing the cultivation of cotton and if so what are those areas?

The Honourable Dr. Syama Prasad Mookerjee: We have not selected any particular areas, but the areas are known. As I have indicated in my reply the areas which can be brought under cotton cultivation to increase the present acreage is under consideration in consultation with the Indian Central Cotton Committee and the Provincial Governments.

Shri Arun Chandra Guha: What are those areas which can be profitably used for the cultivation of cotton?

The Honourable Dr. Syama Prasad Mookerjee: You mean what are the Provinces? C.P. and Berar is one of the biggest areas.

Shri Arun Chandra Guha: None in West Bengal and Assam?

Mr. Speaker: Mr. Tyagi.

Shri Mahavir Tyagi: Have Government examined the possibility of meeting the shortage of cotton by encouraging the mass production of silk in the villages as village industries?

The Honourable Dr. Syama Prasad Mookerjee: The honourable member knows that the cost of silk produced in India is much higher and I do not think there will be any buyers for the silk produced among the masses.

Dr. P. S. Deshmukh: What is the exact price at which Pakistan cotton is going to be imported?

The Honourable Dr. Syama Prasad Mookerjee: Pakistan does not control cotton and the price varies between Rs. 700 and Rs. 900 *plus* the duty which we have to pay.

Dr. P. S. Deshmukh: Has Government any scheme to assist cotton growers to grow it better and on a larger scale?

The Honourable Dr. Syama Prasad Mookerjee: One possibility will be the fixation of reasonable prices which will be related to the food prices, and that is the matter which we are going to discuss next week here.

Srijut Rohini Kumar Chaudhuri: Is it a fact that the export of cotton from Garo Hills, which used to produce a large quantity, has been stopped since after partition owing to difficulties of transport through Pakistan?

The Honourable Dr. Syama Prasad Mookerjee: You mean export outside India?

Srijut Rohini Kumar Chaudhuri: No. from that part to the east of India.

The Honourable Dr. Syama Prasad Mookerjee: I have no information that cotton which is available in Assam is not coming on account of transport difficulties.

POST OFFICES IN VILLAGES HAVING POPULATION OF 2,000 OR MORE

*1760. **Lala Achint Ram:** Will the Honourable Minister of Communications be pleased to refer to the answer to starred question No. 1179, asked on 18th March, 1949, regarding the opening of village post offices and state:

(a) the number of villages or towns having a population of 2,000 or more;

(b) the number of such places having Branch Post Offices; and

(c) the number of villages in the country having daily, biweekly, weekly or fortnightly mail service respectively?

Shri Khurshed Lal (Deputy Minister of Communications): (a) 16,252.

(b) 10,318 Branch Post Offices.

(c) The information is not readily available and it is felt that the labour and expense involved in its compilation will not be worthwhile.

COMPLAINTS re DELIVERY OF LETTERS AND MONEY ORDERS

*1761. **Lala Achint Ram:** Will the Honourable Minister of Communications be pleased to state the number of complaints received by or cases come to the notice of the department per month during the period from January to December, 1948 regarding (i) wrong delivery of letters; (ii) late delivery of mails; (iii) late delivery of money orders and (iv) non-delivery of money orders?

Shri Khurshed Lal (Deputy Minister of Communications): A statement containing the required information as far as available is laid on the table of the House.

STATEMENT

Number of complaints received in the year 1948 per month regarding (i) wrong delivery of letter (ii) late delivery of mails (iii) late delivery of money orders and (iv) Non-delivery of money orders.

Month	Wrong delivery of letters	Late delivery of mails	Late delivery of money orders	Non-delivery of money orders
January	291	1,438	3,203	8,631
February	302	1,323	2,785	7,384
March	364	3,239	3,348	7,884
April	396	2,062	3,629	9,700
May	402	2,049	3,537	7,735
June	411	1,856	3,364	12,610
July	481	1,897	3,380	10,414
August	502	1,888	4,458	11,166
September	593	2,018	4,353	10,676
October	402	1,793	3,401	9,431
November	412	1,876	3,490	9,932
December	466	1,964	3,409	10,861
TOTAL	5,020	23,403	42,357	1,16,424

Shri Mahavir Tyagi: What happens to the money in respect of money orders which are not delivered?

Shri Khurshed Lal: We try to send it back to the remitters.

Dr. P. S. Deshmukh: What is the income derived by Government in recent years on account of money orders not being delivered at all?

Shri Khurshed Lal: I would require notice of that question.

Srijut Rohini Kumar Chaudhuri: After the introduction of the new system are the money orders now carried by air?

Shri Khurshed Lal: No.

Prof. N. G. Ranga: Why not?

Mr. Speaker: Order, order.

Srijut Rohini Kumar Chaudhuri: Even if surcharge is paid?

Mr. Speaker: There is no question of surcharge now.

DANGER TO RAILWAY LINE BETWEEN HALDIBARI AND MANDALGHAT STATIONS IN RAINY SEASON

*1762. **Shri Upendranath Barman:** (a) Will the Honourable Minister of Railways be pleased to refer to the reply to starred question No. 855, asked on the 3rd March, 1949 regarding the precautions against the railway line between Haldibari and Mandalghat stations being breached in rainy season and state whether the Director General of Railways, Pakistan has furnished the information asked for?

(b) Is it a fact that the Honorary Secretary, Indian Tea Planters Association had communicated the danger to the Railway to the Government of West Bengal?

(c) Has the Government of West Bengal informed the Ministry of Railways about the same?

(d) Do Government propose to enquire into the matter irrespective of any information received from Pakistan?

The Honourable Shri N. Gopalaswami Ayyangar: (a) The Director-General of Railways (Pakistan) has since advised that the Eastern Bengal Railway do not apprehend any immediate threat to the Railway line between Haldibari and Mandalghat and that they are investigating whether the Teesta channel is likely to cause any damage to the Railway line in the near future. A further report is awaited.

(b) Yes.

(c) Yes.

(d) It will not be correct for this Government to make an independent enquiry at this stage. It is for the working Railway in Pakistan to make necessary enquiries and take adequate steps to prevent damage to the Railway line.

Shri Upendranath Barman: Is it stipulated, according to the working arrangement with Pakistan, that if any damage is done to our railway even by the introduction of new elements, still they will be responsible to maintain the Section?

The Honourable Shri N. Gopalaswami Ayyangar: They are under an obligation to maintain the line in proper order and I think even in the case of a question like the strengthening of a bridge they have obligations in the matter under the agreement.

PRICE OF NEWSPRINT

*1763. **Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Industry and Supply be pleased to state what is the world market price of newsprint based on New York prices?

(b) What is the price obtaining in India per ton?

(c) What steps do Government propose to take to bring the Indian prices in line with the world market price?

The Honourable Dr. Syama Prasad Mookerjee: (a) It is about £28 per ton in New York.

(b) The contract price of newsprint imported from Canada, U.S.A. and Newfoundland is about £44 per ton c.i.f. and that from Scandinavia and other countries of Europe ranges from £50 to £60 per ton c.i.f. Indian port. Accordingly two sets of ceiling retail prices of newsprint have been fixed—one for European and the other for non-European newsprint. The ceiling price for European newsprint is fixed at 7½ annas per lb. or £75½ per long ton and that for non-European is fixed at 6 annas per lb. or £63 per long ton. At present the newsprint is actually selling at below the ceiling price.

(c) As India has to depend for more than two-thirds of her requirements of newsprint on Scandinavian and other European countries where the prices are higher than those obtaining in Canada and U.S.A., it is difficult to bring the Indian prices in line with the world price based on the New York price. The question of revision of the existing ceiling retail prices in India with a view to lowering them, if possible, is being examined by Government.

Dr. P. S. Deshmukh: Is the Honourable Minister aware that the U.S.A. has purchased the whole produce of newsprint from Canada?

The Honourable Dr. Syama Prasad Mookerjee: Government have no information.

Shri H. V. Kamath: What steps, Sir, have so far been taken or are being taken to promote the manufacture of newsprint in India itself?

The Honourable Dr. Syama Prasad Mookerjee: A factory is being established in the C.P. which will produce about 30,000 tons per year.

Shri Deshbandhu Gupta: Is it a fact that this year the imports from Canada have been cut down and the newspapers are required to pay a higher price as they have to import Scandinavian newsprint?

The Honourable Dr. Syama Prasad Mookerjee: On account of dollar difficulties, my Honourable colleague the Finance Minister has had to impose a cut

Shri H. V. Kamath: Is there a proposal to start more factories to manufacture newsprint or is Government content with one factory in C.P.?

The Honourable Dr. Syama Prasad Mookerjee: Government will not start any factory, but the question of having more factories will be explored after we have seen how this one will work.

CO-ORDINATION BETWEEN STATE RAILWAYS AND GOVERNMENT RAILWAYS

*1764. **Shri Sita Ram S. Jajoo:** (a) Will the Honourable Minister of Railways be pleased to state whether Government contemplate to co-ordinate the administrations of the Indian States Railways with that of the Government of India Railways, so that the whole Railway system of the country is brought on a uniform basis?

(b) If so, what steps have so far been taken in this direction?

The **Honourable Shri N. Gopalaswami Ayyangar:** (a) and (b). This question is a part of the larger question of the fitting of States and Unions of States into the Union of India and their constitutional relations and financial integration with the latter. The whole matter is under examination by a Committee on the receipt of whose recommendations Government will take their decision.

Shri Sita Ram S. Jajoo: By what time do Government expect to receive the recommendations of the Committee?

The Honourable Shri N. Gopalaswami Ayyangar: By the end of May, I have been informed.

CLAIMS PENDING IN DELHI AND FEROZEPUR RAILWAY DIVISIONS

†*1765. **Ch. Ranbir Singh:** Will the Honourable Minister of Railways be pleased to lay on the table of the House a statement showing:

(i) the number of claims pending for disposal in Delhi and Ferozepur Divisions as on the 15th August, 1947, 31st December, 1947, 31st December, 1948 and 31st March, 1949 in each Division;

(ii) the number of cases during those periods recommended to the Assistant Commercial Officer (Litigation) by the Divisions for compromise;

(iii) the result of those compromise cases in the Courts; and

(iv) the cost (showing Counsel's fee separately) in each of those compromise cases?

The Honourable Shri K. Santhanam: A statement showing the information required by the honourable member is placed on the table of the House as desired.

† Answer to this question laid on the table, the questioner being absent.

STATEMENT

Claims statistics on the E. P. Railway from 15th August, 1947 to 31st March, 1949

Date	Number of claims cases including court cases pending disposal	Number of court cases included in 2
(1)	(2)	(3)
15th August 1948	10,098	330
31st December 1947	11,383	559
31st December 1948	14,875	1,319
31st March 1949	8,408	1,426

NOTE.—

(i) Claims statistics are not maintained Division-wise but for the railway as a whole, and therefore, the total figures have been shown.

(ii) There is a Law Officer (*not* Assistant Commercial Officer, Litigation), on the E. P. Railway to advise on legal points, and to represent the railway in law courts whenever possible, 260 cases were recommended for compromise to the Law Officer by the Commercial Officers dealing with claims cases, during the period 15th August, 1947 to 31st March, 1949.

(iii) The result of the cases recommended for 'compromise' is as under :—

Total number of cases compromised	55
Total number of cases contested and dismissed	50
Total number of cases contested and decreed against the railway	29
Number of cases pending in court	126

(iv) Thirty-five of the compromised cases were compromised with the assistance of practising lawyers. The cost, including Counsel's fee shown separately, is given below :—

Station	Compromise cases handed over to lawyers	Total cost including counsel's fee	Lawyer's fee paid or payable	
(1)	(2)	(3)	(4)	
		Rs. A. P.	Rs. A. P.	
Simla	5—SML/48	26 0 0	20 0 0	According to the schedule fixed by the High Court.
	1—SML/49	12 4 0	11 4 0	Do.
Delhi	194—DLI/48	432 8 0	430 8 0	Do.
	303—DLI/48	24 12 0	23 12 0	Do.
	307—DLI/48	28 12 0	27 12 0	Do.
	409—DLI/48	511 0 0	510 0 0	Do.
	33—DLI/48	140 8 0	139 8 0	Do.
	118—DLI/48	14 0 0	12 0 0	Do.
Gurdaspur	4—GSP/48	72 8 0	71 8 0	Do.
Ambala	3—UMB/49	21 0 0	20 0 0	Do.
	66—UMB/48	6 0 0	6 0 0	Do.
	57—UMB/48	5 4 0	4 4 0	Do.
	43—UMB/48	472 14 0	471 14 0	Do.
	65—UMB/48	34 8 0	33 8 0	Do.
	68—UMB/48	47 12 0	37 12 0	Do.
Dharamsala	3—DSQ/48	10 8 0	9 8 0	Do.
	12—DSQ/48	43 0 0	41 8 0	Do.
	13—DSQ/48	340 0 0	338 8 0	Do.

1	2	3	4	
		Rs. A. P.	Rs. A. P.	
Amritsar	11—ASR/47	481 12 0	439 8 0	According to the schedule fixed by the High Court.
	3—ASR/47	234 8 0	234 8 0	Do.
	43—ASR/47	163 8 0	62 13 0	Do.
	72—ASR/48	247 1 0	231 1 0	Do.
	128—ASR/48	62 3 0	62 3 0	Do.
	173—ASR/48	731 0 0	731 0 0	Do.
	126—ASR/48	167 0 0	167 0 0	Do.
	111—ASR/48	23 15 0	23 15 0	Do.
	57—ASR/48	1,226 3 0	1,224 0 0	Do.
	48—ASR/48	31 7 0	14 6 0	Do.
	94—ASR/48	234 0 0	234 0 0	Do.
	177—ASR/48	44 4 0	43 0 0	Do.
	18—ASR/48	56 15 0	54 14 0	Do.
	98—ASR/48	22 4 0	22 4 0	Do.
	3—ASR/49	104 4 0	104 4 0	Do.
	4—ASR/49	104 4 0	104 4 0	Do.
	106—ASR/48	13 8 0	13 8 0	Do.

LITIGATION BRANCH OF E. P. RAILWAY

†*1766. **Ch. Ranbir Singh:** Will the Honourable Minister of Railways be pleased to state:

(a) the number of officers, Inspectors and staff employed in the Litigation Branch of the Eastern Punjab Railway as on the 15th August, 1947, 1st April, 1948 and 31st March, 1949 together with the reasons for the increase, if any;

(b) the number of legal practitioners employed during the period from the 15th August, 1947 to the 31st March, 1949 together with (i) the number of cases dealt with by each legal practitioner, (ii) the amount paid as fee to that practitioner in each case and (iii) the amount in dispute; and

(c) the expenditure of the Litigation Branch of the Ferozepur and Delhi divisions before and after the partition to date together with the average number of cases dealt with in a year in those divisions before the partition for a period of three years and the reasons for any increase or decrease in expenditure?

The Honourable Shri N. Gopalaswami Ayyangar: (a) A statement containing the information is placed on the table of the House.

(b) The information is being collected and a statement will be placed on the table of the House in due course.

(c) There was and is, no litigation branch in Delhi and Ferozepur divisions. Before the partition the litigation work of the whole of the N.W. Railway was directed from Lahore and after the partition it is directed from the headquarters of the E.P. Railway at Delhi. Statistics for the prepartition period were maintained in Lahore and are not now available. For the post-partition period, the expenditure on the litigation branch of the E.P. Railway, which consists of the Ferozepur and Delhi divisions only, is:

From 15th August, 1947 to 31st March 1948—16,070.

From 1st April, 1948 to 31st March, 1949—62,990.

†Answer to this question laid on the table, the questioner being absent.

STATEMENT

The number of officers, Inspectors and staff employed in the Litigation Branch of the Eastern Punjab Railway on 15th August 1947, 1st April 1948 and 31st March 1949, is as under :—

	15th August 1947	1st April 1948	31st March 1949
Officers	1	1	1
Litigation Inspectors	1	1	2
Asstt. Litigation Inspectors	2	2	5
Clerks including Head Clerk	4	4	12

The increase in the strength of the staff was necessitated by the increase in the number of cases in Courts on the E. P. Railway as shown below :—

	15th August 1947	1st March 1948	31st March 1949
Number of cases pending in courts on E. P. R.	330	681	1,426
Number of cases pending in courts on foreign Railways.	393	934	2,406
TOTAL	723	1,615	3,832

ESTABLISHMENT OF SALT INDUSTRY IN BHARATPUR

*1767. **Shri Raj Bahadur**: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether Government are aware that the territory formerly comprising the state of Bharatpur has enormous potentiality and scope for establishing salt industry on a major scale, and that there used to be an extremely thriving salt industry there before the British suppressed it?

(b) If so, do Government propose to consider the advisability of taking steps to revive the industry?

(c) Is there any ban or restriction existing on the manufacture of salt in Bharatpur by private enterprise?

(d) If so, do Government propose to remove the ban or restriction in order to encourage the revival of the industry?

The Honourable Dr. Syama Prasad Mookerjee: (a) Certain areas in Bharatpur State are reported to have large potentialities for manufacture of salt. This area actually produced about twelve lakh maunds per year till 1879, when manufacture was discontinued in accordance with an agreement concluded with the then Maharaja of Bharatpur, in consideration of an annual payment by the Government of India.

(b) Government are already examining this question.

(c) Yes, in accordance with the old agreement on large scale manufacture but there is complete freedom on small scale manufacture in areas not exceeding 10 acres.

(d) Yes, the question of cancelling this agreement is under consideration of Government of India.

Shri Raj Bahadur: Do Government propose to consider applications for the manufacture of salt on a large scale by private enterprise?

The Honourable Dr. Syama Prasad Mookerjee: We will be prepared to consider this after the agreement has been cancelled.

MANUFACTURE OF SHOES, RAZORS AND PIERCING SAWS

*1763. **Shri Raj Bahadur:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the present state and the total output of and the number of persons employed in the following industries: (i) shoe-making industry; (ii) razor-making industry; and (iii) piercing-saw-making industry?

(b) Are Government aware that these industries have received a set back on account of import of these goods from foreign countries?

(c) What is the total value of import of shoes, razors and piercing saws from foreign countries?

(d) Do Government propose to consider the advisability of affording adequate protection to these industries in the country?

The Honourable Dr. Syama Prasad Mookerjee: (a) and (c). Two statements are laid on the table of the House.

(b) Government have no such information.

(d) No such request has been received.

STATEMENT I

	Present state of the industry	Total output in 1948	No. of persons employed in 1948
Shoe-making industry	There are about 9 mechanised units	About 6,128,000 pairs	No statistics available
Razor-making industry	Not manufactured in an organised manner	No statistics available	Do.
Piercing saw-making industry	Do.	Do.	Do.

STATEMENT II

Total value of imports of Razors, Boots and Shoes and Saw mill, and Wood working machinery

(Value in Rupees)

Serial No.	Year	Razors				Boots and Shoes						Saw mill and wood working machinery
		Safety complete	Component parts thereof other than blades	Other razor	Total	All leather	Rubber soled with canvas uppers	With uppers of leather or other materials	All Rubber	Of other kinds	Total	
1	1945-46	6,35,463	..	6,967	6,42,420	67,506	..	3	9,210	14,221	90,940	22,28,368
2	1946-47	22,44,743	6,929	134,557	23,86,227	655,919	5	5,173	38,010	53,954	7,54,061	19,36,727
3	1947-48	8,52,714	100	45,515	8,98,329	745,278	64,924	8,204	2,51,319	45,697	11,15,422	27,80,532
4	April, 1948 to Jan. 1949.	2,64,968		54,237	3,19,205	78,100	5,831	7	414	2,089	86,441	31,07,780

NOTE.—(1) Figures for piercing saws are not separately available.

(2) The above figures include imports—

(a) on Government account, if any, from April 1948 onwards.

(b) from Pakistan, if any from March 1948 onwards.

(c) at the ports of Chittagong and Karachi upto end of February 1948.

Shri M. V. Kamath: Does the razor-making industry include the manufacture of safety razors and blades as well or only crop razors?

The Honourable Dr. Syama Prasad Mookerjee: Both.

Shri Raj Bahadur: Is it a fact that dumping of piercing-saws has been permitted from Switzerland?

The Honourable Dr. Syama Prasad Mookerjee: Unfortunately, Sir, I could not get any information about the piercing-saw making industry.

ADDITIONAL TRAINS BETWEEN NEW DELHI AND MUTTRA

*1769. **Shri Raj Bahadur:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that there is only one passenger train in twenty-four hours that stops at all wayside stations between New Delhi and Muttra?

(b) What was the number of such passenger trains before the last war?

(c) Do Government propose to increase the number of such trains?

The Honourable Shri N. Gopalaswami Ayyangar: (a) No. There are two stopping passenger trains, each way, serving stations between New Delhi and Muttra.

(b) Three.

(c) Action has already been taken and the second train referred to in the reply to part (a) was introduced from the 15th of March, 1949.

Shri Raj Bahadur: Do Government propose to re-start the third one also?

The Honourable Shri N. Gopalaswami Ayyangar: That is not in contemplation.

ADDITIONAL TRAINS BETWEEN AMRITSAR AND HARDWAR *via* AMBALA

†*1770. **Seth Govind Das:** (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware that there is only one train running from Amritsar to Hardwar *via* Ambala and that it is very crowded?

(b) What steps are being taken for running additional trains?

The Honourable Shri N. Gopalaswami Ayyangar: (a) One passenger train is running each way between Amritsar and Hardwar *via* Ambala, but there is no report of its being crowded.

(b) On a census taken from the 20th to 24th January, 1949, it was found that the available accommodation in the only train now running was not being fully utilised and no action was, therefore, taken on a request which had been received about this time for an additional train. Another census has, however, been arranged to be taken towards the end of this month, and, if the result justifies such a course, the question of running an additional train will be considered.

SALT MANUFACTURE AT KHARAGODA

†*1771. **Seth Govind Das:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) the number of wagons of salt manufactured per month at Kharagoda; and

(b) the number of wagons of salt despatched from Kharagoda during the last six months, and the places to which they were despatched?

The Honourable Dr. Syama Prasad Mookerjee: (a) During 1948, the average monthly production of Salt was 559 wagons.

(b) A statement is laid on the table of the House.

† Answer to this question laid on the table, the questioner being absent.

STATEMENT

Movement of Salt wagons from Kharagoda Salt Works to different areas from October 1948 to March 1949

Serial No.	Provinces or States to which wagons despatched	Clearance during						Total	Remarks
		Oct. 1948	Nov. 1948	Dec. 1948	Jan. 1949	Feb. 1949	March 1949 (upto 22nd)		
1	Bombay	32	182	183	159	141	52	749	
2	Central Provinces	70	177	123	31	73	14	488	
3	Baroda	23	29	57	20		..	129	
4	Central India	105	134	107	116		15	476	
5	Rajputana* . . .		—	98	—	..		98	*Under the Zonal Scheme some portion of Rajputana has come under S. Nos. 7 and 8 and the rest under S. No. 11.
6	Kashmir . .		112	..		52	40	204	
7	Rajasthan Union .					47	3	50	
8	Matsya Union					1	15	16	
9	Madhya Bharat				29	99	124	252	
10	United Provinces .				110	48	78	236	
11	Other States .				39	30	5	74	
12	Vindhya Pradesh .				21	4	12	37	
13	Mills . .					20	24	44	
14	Defence Services						17	17	
15	Nepal .						10	10	

16	Sambhar Zone Areas*	170 ..	170	*These wagons were despatched to the areas in the Sambhar Zone, which could not be fed from Sambhar due to transport difficulties during the Congress Session at Jaipur.
		Grand Total .	3,050	

NOTE :—One B.G. Wagon contains 550 maunds of Salt.

ZONAL SYSTEM FOR DISTRIBUTION OF SALT

†*1772. **Seth Govind Das:** Will the Honourable Minister of Industry and Supply be pleased to state whether the provinces have been consulted prior to the preparation of the new zonal system for the distribution of salt?

The Honourable Dr. Syama Prasad Mookerjee: Yes.

SUPPLY OF SALT FROM KHARAGODA

†*1773. **Seth Govind Das:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether Kharagoda salt is being supplied on private orders also in addition to Government orders?

(b) If so, how many wagons have been supplied on Government orders and how many on private orders?

(c) Are private orders held in abeyance until Government orders are complied with?

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes.

(b) During the past six months, 80 wagons were supplied to the Government of Jammu and Kashmir and 2 wagons to the Ministry of Defence, Government of India and 2,334 wagons to private dealers approved by the Provincial Governments or the States.

(c) There was no occasion to hold in abeyance any supply to approved private dealers to meet Government demands.

SUPPLY OF BOMBAY SALT TO JUBBULPORE AND U. P.

†*1774. **Seth Govind Das:** Will the Honourable Minister of Industry and Supply be pleased to state whether it is a fact that Bombay salt is now to be supplied to the Jubbulpore District where Kharagoda salt was hitherto being consumed and Kharagoda salt will be supplied to the seven districts of the United Provinces, where salt from Bombay and other sources was being consumed so far?

The Honourable Dr. Syama Prasad Mookerjee: Yes. The matter is being re-examined.

CIVIL AERODROMES IN ASSAM

*1775. **Shri G. S. Guha:** (a) Will the Honourable Minister of Communications be pleased to state in what places in Assam and the adjoining States there are aerodromes for civil use?

(b) Are there any aerodromes under construction in Assam and if so, when are they expected to be completed?

Shri Khurshed Lal (Deputy Minister of Communications): (a) In Assam and the adjoining States, there are civil aerodromes at Agartala, Gauhati, Tezpur, Jorhat, Dibrugarh, Manipur Road, Kumbhirgram and Tulihal.

(b) No new aerodromes are under construction in Assam. The aerodrome at Gauhati is however being further developed and the construction of a new runway, hangar, office and residential buildings is in progress. It is expected that these works will be completed within a period of two years. The other existing Aerodromes will also be developed progressively in keeping with the demand from air transport operators and the availability of funds.

Shri G. S. Guha: Are arrangements being made at the Gauhati aerodrome for night landing facilities?

† Answer to this question laid on the table, the questioner being absent.

Shri Khurshed Lal: I do not know. As far as I know no arrangements exist.

Shri G. S. Guha: Do these facilities exist at any other aerodrome in Assam?

Shri Khurshed Lal: Not that I am aware of.

Srijut Kuladhar Chaliha: May I know whether the aerodromes at Jorhat, Mohanbari and other places are being repaired properly and kept in condition?

Shri Khurshed Lal: During the war a large number of aerodromes were constructed by the Army in Assam. All of them are not in use now. The ones which I have mentioned are being kept in proper condition; others are not.

Srijut Rohini Kumar Chaudhuri: Is it a fact that a large number of aeroplanes fly between Gauhati and other places and that on account of there being no proper air field the planes have sometimes to come back without landing in that place? What arrangements are being made to remedy this?

Shri Khurshed Lal: We are maintaining these aerodromes. If any planes are now flying to any aerodromes which were built by the military and which are now in disuse, I would like to have information of that and I will see what can be done.

Flight of Civil Aeroplanes between Calcutta, Agartala and Gauhati over Pakistan Territory

*1776. **Shri G. S. Guha:** (a) Will the Honourable Minister of Communications be pleased to state whether any agreement has been arrived at with Pakistan regarding direct flight of Indian civil aeroplanes between (i) Calcutta and Agartala, and (ii) Calcutta and Gauhati?

(b) How many scheduled air services are going to be licensed to fly between Calcutta and Assam, and from when?

(c) Is it proposed to connect any of the frontier tracts of Assam with Gauhati by air in future?

Shri Khurshed Lal (Deputy Minister of Communications): (a) Under the International Air Services Transit Agreement to which both India and Pakistan are parties, Indian airlines can operate between Calcutta and Agartala and Calcutta-Gauhati over Pakistan territory. Beyond notifying Pakistan Government, no fresh agreement with them is necessary for this purpose.

(b) A scheduled air service on the Calcutta-Baghdogra, Gauhati-Mohanbari route is at present in operation between Calcutta and Assam under the authority of a provisional licence granted by the Air Transport Licencing Board. Applications for the grant of long term licences for the operation of services on other routes between Calcutta and Assam are at present under the consideration of the Board.

(c) Gauhati is already connected by air with Dibrugarh. The question of providing connections between Gauhati and other points in the frontier tracts of Assam will be considered if there is adequate traffic demand for them.

Shri Upendranath Barman: Is the Government contemplating any connection between Delhi and Gauhati without flying over Pakistan?

Shri Khurshed Lal: There is under active consideration a proposal to have a daily service from Delhi to Assam *via* Patna.

Construction of a Major Port at Kandla

*1777. **Shri G. S. Guha:** (a) Will the Honourable Minister of Transport be pleased to state whether the construction of a major port at Kandla has been finally decided?

(b) Have Government considered the desirability of establishing a west coast major port at a greater distance from the frontier?

(c) Do Government propose to improve and develop the minor sea-ports in the west and east coasts of the country?

(d) Is there any proposal of constructing a minor sea port at Digha in West Bengal?

The Honourable Shri K. Santhanam: (a) Yes.

(b) Yes. Due consideration was given to that aspect before selecting Kandla as the site for a major port on the West Coast.

(c) The improvement of minor ports is a matter for the Provincial Governments. The Ports (Technical) Committee appointed by the Government of India in 1946, was, however, asked to report on steps necessary to develop minor ports in order to meet probable demands of coastal shipping traffic. The Committee approved of certain schemes of development of minor ports under the consideration of the Provincial or State Governments concerned. The Government of India agreed with the recommendations of the Committee in the matter, and commended them to the Governments concerned. The West Coast Major Ports Development Committee also made certain recommendations regarding minor ports on the Kathiawar Coast and these recommendations were accepted by the Government of India and commended to the Saurashtra Government for necessary action. The West Coast Major Port Development Committee has also been asked *inter-alia* to report on the improvements necessary in communications to the existing ports between Mormugao and Cochin and on the other measures for the development of or provision of additional facilities in these ports, and their report in the matter is awaited.

(d) The Government of India have no information.

Shri R. K. Sidhva: May I know at what stage the preparation of estimate and survey is at present in regard to the Kundla port?

The Honourable Shri K. Santhanam: The survey I understand is nearing completion.

Shri R. K. Sidhva: And the estimate? May I know whether the estimate has been prepared and, if so, what will be the cost?

The Honourable Shri K. Santhanam: It is only after the survey report comes to us, we shall know the estimates.

Shri R. K. Sidhva: May I know besides the survey of the port whether any survey of railway connection between Kundla and Ahmedabad and Kundla and Delhi has also been taken in hand and if so with what result?

The Honourable Shri K. Santhanam: Yes, Sir. Railway surveys are also nearing completion.

Shri R. K. Sidhva: When are they likely to be completed?

The Honourable Shri K. Santhanam: In a short time. I cannot give the exact date.

Prof. N. G. Ranga: What are the minor ports on the east coast, whose development is contemplated?

The Honourable Shri K. Santhanam: As I have answered, the Government of India do not contemplate the development of any minor ports by themselves. They have commended development of certain ports as recommended by the Ports (Technical) Committee to the Provincial Governments and it depends upon the provincial and State Governments as to which ports are to be developed and how far.

Prof. N. G. Ranga: Is there any financial arrangement between the Central and the provincial governments with regard to the development of these minor ports, or is it completely the responsibility of the provincial governments?

The Honourable Shri K. Santhanam: As far as I am aware, it is completely the responsibility of the provincial governments to develop the minor ports.

Shri T. T. Krishnamachari: May I ask the Honourable Minister if the Government have assured themselves that there is adequate supply of water in this particular area before proceeding further with the development of this port?

The Honourable Shri K. Santhanam: A Committee is being appointed to investigate this very question and Government will certainly assure themselves before deciding that there are sufficient facilities for water.

Shri K. Hanumanthaiya: Is Government contemplating to develop any port south of Bombay?

The Honourable Shri K. Santhanam: Yes, Sir. The Committee has been entrusted with the task of finding a port to be developed as a major port between Bombay and Cochin.

Srijut Kuladhar Chaliha: Whether the Government of India have received any proposal from the Government of Bengal for the improvement of the port of Digha?

The Honourable Shri K. Santhanam: I have already replied that we have no information on the point.

Shri B. N. Muuavalli: When is the report of the expert committee as regards major ports expected?

The Honourable Shri K. Santhanam: I cannot say anything about the committee. I think it has been working for a long time and some measurements are being taken at Mangalore, Bhatkal and other ports and as soon as the measurements are completed, the committee will be reporting.

Shrimati G. Durgabai: May I know whether any plans for the development of Cocanada port have been taken up?

Mr. Speaker: Order, order. I think it is no use going into individual ports now. There is no limit to such questions.

Shri Arun Chandra Guha: Is there any scheme of developing minor ports in the Bengal coast?

Mr. Speaker: The question has been replied to.

NEGOTIATIONS FOR IMPORT OF WHEAT AND RICE

*1778. **Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Food be pleased to state whether it is a fact that Government have negotiated for import of wheat and rice?

(b) Is it a fact that a four-year agreement on behalf of the Government of India has been signed after the announcement of the Honourable Minister that no foodgrains would be imported into India after 1951?

(c) Is it a fact that by this agreement India will be compelled to buy 10 lakh tons of wheat per year for a period of 4 years beginning with 1949-50 and ending with 1953-54?

(d) Have any steps been taken to stop the Indian representative from signing the agreement?

(e) Is there any such agreement proposed with regard to the import of rice?

(i) Are there any negotiations going on?

(ii) If so, what stage has this negotiation reached?

(iii) Is there any present agreement to import any rice after 1951 and if so, and at what rate?

(iv) If not, do Government propose to enter into any agreement or to stick to the decision of not importing any foodgrains after 1951?

The Honourable Shri Jairamdas Doulatram: (a) An agreement for import of wheat only has been negotiated and not for rice.

(b) Yes. The announcement made on behalf of the Government of India on 19th March, 1949, however, was that "Except in the case of grave calamity such as widespread failure of crops or for building up a central reserve, Government will not import any foodgrains from abroad after 1951".

(c) No. Under the agreement India would be under obligation to purchase 10 lakh tons of wheat after August, 1952 only if the ruling market price falls below Rs. 5/7/- per maund. If purchases thus becomes obligatory, the quantity purchased would be used as a reserve.

(d) Does not arise.

(e) No.

(f) No.

(g) Does not arise.

(h) There is no Agreement of any kind.

(i) Government do not propose to enter into any rice agreement.

Shri H. V. Kamath: With whom has this agreement been concluded?

The Honourable Shri Jairamdas Doulatram: This has been concluded with the exporting countries—United States, Canada, Australia and one or two others.

Prof. N. G. Ranga: What is the present estimate of the saving that is likely to result during this year on the purchase of wheat?

The Honourable Shri Jairamdas Doulatram: We have not worked out the figures, but at present the landed cost of wheat is Rs. 15 per maund, and under this agreement the maximum price would be about Rs. 10 per maund and the minimum would be so low as Rs. 7/3/-.

Shri R. K. Sidhva: Why have Government entered into a long-term agreement for four years?

The Honourable Shri Jairamdas Doulatram: The fact is that this was an international conference at which about thirty nations—most of the exporting nations including at the early stages Russia and Argentine and on the importing side about twenty three or twenty five countries—were present and the question was whether we should take advantage of certain reduced rates or we should leave our purchases to be governed by the annual shifting of the market rates. The majority of the countries there except ultimately Russia and Argentina concluded this agreement and we felt that it was on the whole advantageous for us to have that kind of definite supply of wheat, in which we are particularly short on account of the Sind and Punjab—our wheat producing provinces having gone to Pakistan. The proposal is, after having got this assurance regarding wheat deficit, we have to concentrate on ptoduction of rice and make up our rice deficit also in the course of these three years.

Shri Mahavir Tyagi: Is it a fact that there is a slump in the prices of wheat in the international market?

The Honourable Shri Jairamdas Doulatram: There is some slump. F even the other day we were able to get wheat only at the landed cost of Rent

Shri S. V. Krishnamoorthy Rao: Consistent with the actual needs, ves. any attempt to reduce the importa as far as possible even before 195 the epends

The Honourable Shri Jairamdas Doulatram: We propose to gra veloped process and go on cutting down the import from year to year and in with the provinces we propose to see that within the scheduled pen Central years there may be no need for importing. se minor ents?

Shri Mahavir Tyagi: In view of the fact that prices have gone down to the extent of Rs. 5/7/- per maund in foreign countries, have Government considered the proposal of allowing free import of wheat into the country through individuals?

The Honourable Shri Jairamdas Doulatram: The prices have not gone down to Rs. 5/7/-. What the agreement says is that if in the fourth year the price rules below Rs. 5/7/-, then alone shall we have to purchase. If it rules higher than Rs. 5/7/-, we will not be under compulsion to buy. At present the price is high enough, the landed cost being Rs. 15.

Shri T. T. Krishnamachari: May I ask the Honourable Minister if it is a fact that the Government of India have invited the assistance of a well-known expert on food production to assist them in augmenting food production in this country, and if so, what is his name and what are his qualifications?

The Honourable Shri Jairamdas Doulatram: We intend to invite—actually the invitation has gone—Lord Boyd-Orr who was Director-General of F.A.O. for purposes of consultation. We expect that he will be arriving by about the 16th April.

Shri Deshbandhu Gupta: Is it a fact that the price of imported wheat has gone down to Rs. 10?

The Honourable Shri Jairamdas Doulatram: I am not aware.

Babu Ramnarayan Singh: What cut in import of wheat will be made this year?

The Honourable Shri Jairamdas Doulatram: I think we will import about 23 lakh tons.

Shri Mahavir Tyagi: Is free import of wheat prohibited?

Mr. Speaker: Order, order. Question Hour is over.

(*b*) WRITTEN ANSWERS

MOTOR ROAD FROM SHILLONG TO AGARTALA

*1779. **Shri G. S. Guha:** (a) Will the Honourable Minister of Transport be pleased to state when the motor road from Shillong to Agartala is expected to be completed?

(b) What progress has been made as regards the portion of the road from Kurti to Agartala?

(c) Is it a fact that the new proposed alignment between Kurti and Agartala through the northern portion of the Tripura State passes very close to the Eastern Pakistan border?

The Honourable Shri K. Santhanam: (a) The Assam Government, who are the agents for the construction of this road, have been asked to give the required information, which will be laid on the table of the House on receipt. It may, however, be stated that the section of the road from Shillong to the Tripura State border is expected to be completed by 1950.

(b) The progress reported upto the end of February, 1949 is as follows:

(i) Reconnaissance survey and jungle cutting have been completed along the entire length of 119 miles;

(ii) Survey work and plotting are nearing completion;

(iii) Earthwork for a 'jeepable' track has been completed in 110½ miles;

(iv) Hutting accommodation for staff has been practically completed; and

(v) About 180 temporary bridges and culverts have been completed and construction on others is in active progress.

(c) The new alignment *via* Churaibari (and not Kurti) is further from the border than that originally suggested by the State. Topographical considerations preclude making any further change.

ACCOUNTS OF KANCHRAPARA WORKSHOPS REMODELLING SCHEME

*1780. **Shri Mahavir Tyagi:** (a) Will the Honourable Minister of Railways be pleased to state whether there was a muddle involving an amount of several lakhs of rupees in the financial and accounting transactions of the Kanchrapara workshop remodelling scheme?

(b) Is it a fact that Government had ordered an investigation into the aforesaid muddle and that they have received the results of this investigation?

The Honourable Shri N. Gopalaswami Ayyangar: (a) and (b). After the closure of the Kanchrapara Locomotive Building Works, due to the decision to change their location to Mihijam, certain claims for payment were received from contractors. The Railway Board thereupon ordered a special inspection of the accounts concerned. This inspection disclosed certain serious irregularities relating to--

(i) Sanction of discriminatory rates for the carriage of bricks in favour of two contractors. Amount involved—Rs. 1·90 lakhs.

(ii) Excessive 'on account' payments for bricks. Amount involved—Rs. 6·97 lakhs. (This amount is reported to have since been recovered from the contractors.)

(iii) Sale of cement at less than controlled rates. The sale-proceeds credited to the Railway, however, represent the full book value including supervision charges. Amount involved—Rs. 70,000.

(iv) Fraudulent removal of materials from stores due to absence of a proper system of store keeping. Amount involved—Rs. 1·32 lakhs. The officer in immediate charge of the Store Depot had already been dismissed by the E.I. Railway, and is reported to have left the country.

Explanations were called for from the officers concerned other than the Depot Store Keeper referred to in (iv) who had already been dismissed. The explanations were received in September, 1948. As a result of the examination by the Board of these explanations in detail, charges were framed against 4 officers. One of these has replied to the charges, and replies from the others are awaited. The charges will be disposed of according to rules in the usual course.

UNSTARRED QUESTION AND ANSWER

BAN AGAINST HARIJANS DRAWING WATER FROM RAILWAY WELL AT DELHI CANTONMENT STATION

140. Ch. Ranbir Singh: (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware of the fact that Harijans (sweepers) are not allowed to draw water from the railway well on the Delhi Cantonment Railway Station?

(b) Is it also a fact that there is no other well near the Railway Station?

(c) If so, what steps do Government propose to take to eradicate this evil?

The Honourable Shri N. Gopalaswami Ayyangar: (a) It is true that the local railway staff were not permitting Harijans to draw water from the well at the Delhi Cantonment Railway Station. On a complaint being made however to the Railway Administration sometime back, this unauthorised practice was stopped and Harijans now draw water from the well without hinderance.

(b) There is no other well near the railway station, but there are two water hydrants at each end of the platform.

(c) Does not arise.

STATEMENTS LAID ON THE TABLE

[INFORMATION PROMISED IN ANSWER TO CERTAIN QUESTIONS DURING THE CURRENT AND PREVIOUS SESSIONS OF THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)—LAID ON THE TABLE OF THE HOUSE, TODAY]

Supplementary to Shri Biswanath Das's Starred Question No. 98 of 11th August, 1948.

DESIRABILITY OF USING TRACTORS AND CHEMICAL FERTILISERS

STATEMENT

Increase in yield of paddy with the application of manures in different parts of India.

(Increase percentage in yield per acre.)

Province 1	Application of inorganic fertilizers 2	Application of cakes 3	Application of green-manure, etc. 4
Bengal	Ammonium sulphate at the rate of 20—40 lbs. N per acre, increases yield from 12·0 to 44·0%.	Groundnut and mustard cake at 20—40 lbs. N per acre, increases yield from 24·0 to 41·0%.	Green manuring, increases yield by 23% and P. Y. M. by 10·0%
Madras	Ammonium sulphate at the rate of 30—45 lbs. N per acre increases yield from 15—35%.	Cakes supplying Nitrogen 20 to 60 lbs. per acre, increase yield from 15—45%.	Green manuring, with 60—90 lbs. N, increases yield by 100%.
Bihar	Ammonium sulphate 20—40 lbs Nitrogen per acre increases yield from 13—60%.		(a) Green manuring Sann or Dhaincha supplying 40 lbs. N. Increases yield by 20%. (b) Combination of superphosphate and green manuring supplying 40 lbs P2O5 and 40 lbs. N, increases yield from 3·5—50%.
Assam	Ammonium sulphate at the rate of 60 lbs. N per acre, increases yield by 32·0%.		
Orissa	(a) Ammonium sulphate at the rate of 30—45 lbs. N. per acre, gives an increase of 20—29%. (b) Superphosphate at the rate of 30 lbs. P2O5. increases yield from nil to 29·0%.	Cakes at the rate of 15—45 lbs. N per acre. increas yield of paddy.	Green manuring with Dhaincha at 30—45 lbs. N per acre, increases yield from 12—33%.
Bombay	Profitable responses have been obtained with sulphate of ammonia at the rate of 30—40 lbs. N.	Groundnut cake at the rate of 48 lbs. N per acre, gives an increase of 47—69%.	

1	2	3	4
United Provinces	(1) Ammonium sulphate at 50 lbs. N per acre, increases yield by 32·0%. (2) Superphosphate or Bonemeal do not give any appreciable increase in yield. The max. increase is only 8·0%. (3) Niciphos at the rate of 25—50 lbs. N, increases yield from 20—30%. (4) At Gorakhpur in U. P. Niciphos at the rate of 50 lbs. N and P205, gave an increase of 80%.	Cakes at the rate of 20—60 lbs. N, increase yield from 7—48%.	(1) Compost at the rate of 25—60 lbs. N per acre, increases yield of 9—18%. (2) Green manuring like sann hemp and Dhaincha gave an increased yield of 57—90%.
Karnal (East Punjab.)	(1) Ammonium Sulphate at the rate of 40 lbs. N per acre increases yield by 24—28%. (2) Superphosphate at the rate of 40 lbs. P205 per acre, increases yield from nil to 15·0%. (3) Combination of N.P. at 40 lbs. N and 40 lbs. P 205, increases yield from 12 to 24% (4) Combination of N. K. at the rate of 40 lbs. N and 60 lb. K20, increases yield from 20—30%. (5) Complete fertilizers at the rate of 40 : 40 : 60, increase yield from 12—30%		
Central Provinces	Ammonium sulphate at the rate of 10—20 lbs. N, gives an increase of 20—70%.	Cakes at the rate of 20—60% N per acre, increase yield from 26—191·0%.	
Mysore	(1) Ammonium sulphate at the rate of 12½ to 30 lbs. N increases yield from 13 to 20%. (2) Superphosphate gives an increase from 4—8%.	Cakes give an increase of 15%.	(1) Green manuring gives an increase of 10—50%. (2) Compost at the rate of 5 tons per acre gives an increase from nil to 5·0%.

Increase in yield per acre due to Manuring

WHEAT

Provinces of Tract 1	Application of inorganics 2	Application of Cakes 3	Application of green manures, etc. 4
		IRRIGATION CONDITIONS	
Black Soil Tract (Bombay, C. P. Hyderabad and Central India).	(1) Ammonium sulphate at the rate of 5 to 54 lb. N per acre gives a response from 5·7 to 11·8 lb. of wheat per lb. of N.	Oil cakes gave a response from 6·9 to 11·8 lbs. of wheat grain per lb. of N.	(1) F. Y. M. gave a response from 4·9 to 6·2 lbs. of wheat grain per lb. of N.
	(2) Ammonium sulphate at the rate from 37 to 110 lbs. N per acre, gave a yield of wheat from 1066 lb. to 1244 lbs. per acre		(2) Poudrettee and Night soil at 30 lbs. N per acre gave a response of 11·3 and 16·0 lbs. of grain per lb. of N.
	(3) Niciphos II gave response from 7·1 to 8·5 per lb of N and 7·5—20·4 per lb. of N and P and 14·7 lb. per 1 lb of N and 303 lbs. P2O5 as Niciphos 1.		(3) Compost at the rate from 37—110 lbs. N per acre gave a yield from 1363 to 1881 lbs per acre.
			(4) F.Y.M. at above rate gave yield from 1422—1532.
			(5) Night soil at above rate gave a yield from 1348 to 1837.
			(6) An average increase of 99 lb. per acre in yield due to green manuring was calculated from 63 trials.
Gangetic Alluvium (U.P.)	(1) Ammonium sulphate at the rate from 10—50 lbs. N per acre gave a response from 3·8 to 43·0 lb. per lb. of N;	Cakes at the rate from 50—100 lbs. N per acre gave response from 4·0 to 5·8 lbs. per lb. of Nitrogen.	(1) F. Y. M. at 60 lbs. N gave response of 3·6 lbs. per lb. N.
	(2) Nitrate of soda at the rate from 12—18 lbs. N per acre gave a response of 13·2 lb. per lb. of N.		(2) Compost at 80 lbs. N gave response of 2·7 lbs. per lb. N.
	(3) Nitrochalk at 16 lbs. N gave a response of 15·9 lbs. per lb. N.		(3) Green manuring gave an increase yield from 123 to 333 lbs. per acre over control.
	(4) Calcium cynamide at the rate of 25 lbs. N per acre gave a response of 85 lbs. per lb. of N.		
Bihar	(1) Am. sulphate at the rate of 16 lbs. N gave a response of 13·4 lbs. per lb. N.		F. Y. M. at the rate of 20 lbs. N per acre gave a response of 1·4 lb. per lb. of N.
	(2) For similar dose in form of sodium nitrate response was 4·1 lbs. per lb. N.		

1	2	3	4
Bihar—Contd	(3) Am. sulphate at the rate from 10—64 lbs. in presence of P and K at the 20 lbs. P_2O_5 and K_2O gave a response from 10·4 to 15·1 lb. per lbs. N.		
i	(1) Sulphate of Ammonia at the rate of 40—80 lbs. N increases yield from 30—90%.	Cakes increase yield by 27—30%.	(1) Green manuring increases yield from 24—32%.
	(2) P_2O_5 at 66 lbs. per acre increases yield by 16·0%.		(2) F. Y. M. increases yield by 43%.
			(3) Leaf compost increases yield by 33%.
dus Alluvium (Karnal).	(1) Ammonium sulphate at 40 lbs. N increases yield by 34%.		Green manuring increases yield by 30—46%.
	(2) P_2O_5 at 80 lbs. increases yield by 22%.		
	(3) N, K at the rate of 40 : 80 increases yield by 26%		
	(4) N, P at the rate of 40 : 80 increases yield by 30%.		
	(5) N, P, K increase yield by 15%.		

(Response lb. Per lb. N P_2O_5 or N.P_2O_5).

	Quantity per acre	Ammonium sulphate	Sodium Nitrate	Cal. Cynamide	Super	Niciphos.
Lyallpur	0—10	9·4	17·9	13·4	..	19·4
	11—20	12·2	13·0	14·8	16·1	18·8
	21—30	14·0	19·6	18·8	2·1	18·0
	31—40	11·6	4·3	..	..	11·4
	41—50	7·2	..	6·3	..	..
	51—60	6·5	..	..	..	11·3
Hansi	11—20	5·7	8·4	1·0	29·6	..
Sirsa	21—30	8·1	4·8	1·9	13·2	..
	31—40	5·8	7·3	5·8	7·0	..
	41—50	..	..	8·6	..	..

(Response lb. per lb. N. P_2O_5 or Combination).

Fertilizer.	Lyallpur	Montgomery	Okara	Colbyana	Hansi	Sirsa.
Ammonium Sulphate	9·6	12·6	14·6	15·1	7·1	3·8
Sodium Nitrate	8·6	5·2	..	..	8·6	3·8
Calcium Cynamide	..	..	..	..	2·9	..
Niciphos (N:P_2O_5::1:3·2)	..	..	..	25·9	..	..
Niciphos II (N:P_2O_5 1 : 2)	..	..	..	..	..	..
Super	7·2	..	..	..	..	..
P_2O_5 over N	3·1	..	3·1	..	..	..

(Response lb. per lb. N of Various Organics.)

Manure	Lyallpur	Hansi
Castor cake 75 N per acre	.. ..	4·8
Toria cake	5·2	.. depressing effect
Mahwa cake	Depre effect.	..
F. Y. M. 60—150 lb. N per acre	2·0	459 lb. per acre increase in yield lbs. per acre.
Green manuring	161 lbs. per acre increase in yield	

Molasses at 75 and 80 mds. per acre. Depressed yield by 376.

Effect Of Fertilizers And Manures On Cotton

Place	Application of inorganic fertilizers	Application of cakes	Application of organic manures
1	2	3	4
Bombay	Application of sulphate of ammonia at the rate of 20—40 lbs. N per acre gives an increase from 70—207 lbs. of seed cotton per acre.	Application of castor cakes at the rate of 300 to 400 lbs. per acre gives an increase of 13 to 20 lbs. seed cotton per acre.	Application of 25 tons of F. Y. M. per acre gives an increase of 85 lbs. seed cotton per acre.
C. P.	Application of sulphate of ammonia at the rate of 20—40 lbs. N per acre gives an increase from 43—220 lbs. seed cotton per acre.	Application of cotton and groundnut cakes at the rates of 200 to 560 lbs. per acre increases yield from 40—337 lbs. seed cotton per acre.	(1) Compost at 25 tons per acre increases yield by 30 lbs. of seed cotton per acre. (2) F. Y. M. at 1·8 to 3·6 tons per acre increases yield of seed cotton from 68—91 lbs. per acre. (3) Green manuring plus sulphate of ammonia increases yield from 80 to 200 lbs. per acre. (4) F. Y. M. plus sulphate of ammonia increases yield by 80 lbs. per acre. (5) Super in combination of either green manure, F. Y. M. or castor cake. increases yield from 90—116 lbs. per acre.
Madras	Application of sulphate of ammonia at the rate of 20—30 lbs. N per acre increases yield from 70—118 lbs. per acre.		(1) F. Y. M. at the rate of 5 tons per acre since 1900, has increased yield by 437 lbs. per acre. (2) F. Y. M. at the rate of 70 tons per acre increases yield from 91 to 270 per acre.
U. P.	Application of sulphate of ammonia at the rate of 20—40 lbs. per acre increases yield from 91 to 178 lbs. per acre.	Application of castor cake at 300 lbs. per acre increases yield by 54 lbs. per acre.	F. Y. M. at 4 tons per acre increases yield by 80 lbs. per acre.

1	2	3	4
Punjab .	Application of sulphate of ammonia at the rate of 15—75 lbs. N per acre increases yield from 70—322 lbs. per acre.	Toria and mustard cake at the rate of 420—560 lbs. per acre increases yield from 3 to 354 lbs. per acre.	F. Y. M. at 5 tons per acre increases yield by 118 lbs per acre.
Sind	Application of sulphate of ammonia at the rate of 15—75 lbs. N per acre increases yield from 78—361 lbs. per acre.		

Prof. Shibban Lal's Starred Question No. 530 (a) of 26th August, 1948.

ABOLITION OF TITLES CONFERRED BY BRITISH INDIAN GOVERNMENT

Number of officers in the various Ministries of the Government of India who still hold titles conferred by the late British Indian Government. . .	268*
Number of officers who have relinquished these titles after the 15th August 1947	1
Number of officers who have removed these titles from their name-plates in offices after the 15th August 1947	196

* These include officers of non-Indian domicile.

Srimati Dakshayani Velayudhan's Starred Question No. 114 of 3rd February, 1949.

CONSTRUCTION OF CINEMA HOUSES IN DELHI PROVINCE

(a) Three persons in Delhi and ten persons in Ajmer-Merwara had applied for licenses for constructing cinema houses since August 1947.

(b) Two licences in Delhi and one in Ajmer-Merwara were issued. The construction of the two cinema buildings in Delhi was sanctioned by the Delhi Municipal Committee and the New Delhi Municipal Committee before Government decided to discourage luxury construction such as cinemas, etc.

(c) No.

(d) Yes.

(e) Government do not propose to interfere in such cases.

Sardar Bhopinder Singh Man's Starred Question No. 131 of 4th February, 1949:

NURSES IN GOVERNMENT HOSPITALS CONTRACTING TUBERCULOSIS

(a) Thirty-five.

(b) Five.

(c) In most of the cases the sources of infection were not traceable, in these cases the incidence of T.B. was due to history of T.B. in the family, and in three other cases due to attack of Pleurisy and Broncho-Pneumonia.

Supplementaries to Sardar Bhopinder Singh Man's Starred Question No. 144 of 4th February 1949

LOAN APPLICATIONS RECEIVED BY REHABILITATION FINANCE ADMINISTRATION

Dr. Bakshi Tek Chand's Supplementary

The Interim Report† has been laid on the table of the House on 21st March, 1949.

Sardar Bhopinder Singh's Supplementary

Agriculture is not a business or industry of the type contemplated by the Rehabilitation Finance Administration Act.

Shri Mahavir Tyagi's Supplementary

Loans have been given to refugees from East Bengal as well.

† *See* Constituent Assembly of India (Legislative) Debates (Part II—Proceedings other than Questions and Answers).

TUBERCULOSIS CLINIC

Name of the Province or Local Administration.	Tuberculosis Clinics				Tuberculosis Sanatoria				Tuberculosis Hospitals				Other institutions having T. B. Beds for T. B. patients				Remarks
	Number				Number				Number				Number				
	Government managed	Private	Total	Number of beds	Government managed	Private	Total	Number of beds	Government managed	Private	Total	Number of beds	Government managed	Private	Total	Number of beds	
Madras	6	..	6	Nil	2	6	8	924	1	..	1	62	14	1	15	220	
Bombay	16	4	20	121	..	9	9	302	..	2	2	108	1	4	6	195*	*This includes 107 beds at the Prince Hospitals.
United Provinces	5	10	15	32	1	4	5	202	1	..	1	24	..	..	..	..	
West Bengal	3	11	14	3	..	2	2	54	1	4	5	738	10	1	11	94	
East Punjab	..	6	6	14	..	5	5	522†	1	..	1	30	1	..	1	12	†This is inclusive of 2 beds reserved by Government.
C. P. and Berar	4	..	4	31	..	1	1	135	..	..	..	..	..	..	..	..	
Bihar	..	17	17	Nil	1	..	1	194	..	..	..	..	2	..	2	8	
Orissa	..	1	1	6	..	..	..	..	..	..	..	..	..	..	..	..	
Assam	1	1	2	75	..	..	..	..	..	..	..	..	..	..	..	100‡	‡These beds are in T. B. Wards attached to the various Civil Hospitals.
Delhi	..	3	3	4	..	..	..	..	1	..	1	126	..	..	..	..	
Ajmer	1	..	1	Nil	..	1	1	125	..	..	..	..	1	..	1	20	
Himachal Pradesh	..	..	..	..	..	..	..	..	..	..	..	..	1		1	22	
Kutch	..	..	..	..	..	1	1	40	..	..	..	..	..	..	..	..	
Andamans	..	..	..	..	..	..	..	..	..	..	..	..	1	..	1	6	
Coorg	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
TOTAL	36	53	89	291	4	29	33	3133	3	6	11	1148	31	7	38	657	

STATEMENTS LAID ON THE TABLE

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Shri Lakshminarayan Sahu's Unstarred Question No. 14 of 14th February, 1949.

EXPENDITURE ON POST-WAR RECONSTRUCTION SCHEMES.

(Figures in thousand rupees

Subjects	Money spent during 1947-48	Money spent during 1948-49	Name of Place or Province where the work is done
Railways	8,11,42	10,63,47	Assam, B. B. & C. I., B. N., E.P., E. I., G. I. P., M. & S. M., O. T. & S. I.
Roads	11,14,34	4,42,62	All the Provinces Centrally administered area and Jammu Pathan Kote.
Irrigation Projects	1,83,98	4,12,45	Bihar, Bilaspur State, E. P., C. P., U. P., Bombay, Orissa, Assam
Hydro-electric Projects	85,89	3,43,30	E. P. (Neogal Project), Assam, C. P. & Berar, Bombay and Calcutta.
Capital Construction	8,51	6,97,22	New Delhi, Bhubneshwar, Sindri Dhanbad, Calcutta and East Punjab.
Ship Building Yard	Nil	Nil	Nil.
Aerodromes	13,29	59,12	Madras, Delhi, Bombay, U. P., Bengal, Bihar, C. P., Punjab and Nagpur.
Agriculture farms	14,04	16.94	Gurdaspur, Kangra, Orissa and West Bengal (Haring Hatta)
Scientific researeh	19,70	53,61	Poona, New Delhi, W. Bengal Mysore, U. P., Bombay, Bihar, Calcutta and abroad

Note.—Figures for the Calendar Years 1947 and 1948 are not available.

Shri R. K. Sidhva's Supplementary to Starred Question No. 444 of 17th February, 1949

PAYMENT OF DEPOSIT AMOUNTS BY JWALA BANK LIMITED, AGRA

It is not clear to which section of the Reserve Book of India Act the Honourable Member has made a reference. The Bank was inspected between the 23rd April and about the 15th May 1947 and during that period the bank's head office at Agra and its Bombay branch were visited by the Inspecting Officer on all working days, when the inspection of the bank's books and accounts at these two offices was carried out.

Master Nand Lal's Starred Question No. 580(a) of 22nd February, 1949

PERMANENT GOVERNMENT SERVANTS FROM PUNJAB NOW SERVING UNDER GOVERNMENT OF INDIA.

Number of permanent servants from the areas now under the West Punjab Government (Pakistan) whose services were loaned to the Government of India by the Government of the Undivided Punjab and were serving under the Government of India before the partition of the country took place and who have not completed five years continuous service in the grade of Assistant or in higher grade in the Secretariat on the 22nd October 1948 is six (including two Superintendents).

Shri Jaspat Roy Kapoor's Starred Question No. 592 of 22nd February 1949

STATE POLICE FORCE IN HYDERABAD

(a) The total strength of the Hyderabad State Police Force is 23,867 and not 24,000 as was previously stated

(b) The number of persons in the Police Force who are not residents of the State is 62. They are expected to be discharged soon.

Shri Amiya Kumar Ghosh's Starred Question No. 618(b) of 23rd February, 1949

DEVELOPMENT OF VILLAGE FORESTS.

The reply is in the negative.

Shri Damodar Swarup Seth's Starred Question No. 641 (a) of 23rd February, 1949.

IMPORT AND SALE OF FOREIGN CLOTH.

Statement showing the total quantity and value of Cotton piecegoods imported into India by sea from foreign countries during each of the six monthly periods ie 1st January to 30th June 1948 and 1st July to 31st December 1948.

Countries.	Quantity.		Value.	
	Six months 1st January to 30th June, 1948.	Six months 1st July to 31st December, 1948	Six months 1st January to 30th June, 1948	Six months 1st July to 31st December, 1948.
	Yds.	Yds.	Rs.	Rs.
From United Kingdom	8,832,152	17,606,195	1,67,62,159	3,74,63,030
From Aden and Dependencies	..	4	..	8
From Pakistan, Western.	13,280	2,174	5,386	3,069
From Straits Settlements	174	7	134	19
From Hong Kong	15,012	19,984	33,848	29,371
From Zanzibar and Pemba	..	143	..	221
From Canada	..	4,938	..	7,496
From Norway	4	..	4	..
From Germany	..	41,053	..	79,600
From Belgium	29,731	21,059.	110,844	62,178
From France	6,020	180.104	14,333	2,37,857
From Spain	..	8	..	16
From Switzerland	502,919	760,302	14,61,436	25,21,375
From Czechoslovakia	176,576	148,507	3,11,906	3,98,440
From Italy	8,271	131,784	26,118	2,89,066
From Netherlands	260,160	165,237	3,67,026	2,58,406
From China	21	..	20	..
From Java		76		158
From Philippines	28	20.	45	32
From Egypt	..	6,030		12,608
From United States of America	4,810,479	739,147	62,30,910	10,57,124
From Mexico	..	13,816	..	19,316
Total	14,654,827	19,840,568	2,43,24,163	4,24,44,390

NOTE.—The figures exclude the direct foreign trade of Pakistan upto February 1948. The Sea-borne trade of India with Pakistan is included therein from 1st March, 1948. They also include the trade on Government Account from April 1948 and the foreign trade of Kutch from June, 1948.

2. Similar information for January and February, 1949 is being collected. It will be furnished as soon as ready.

Sardar Hukam Singh's Starred Question Nos. 700 (a) and (b) and 701 of 25th February 1949.

No. 700.— TRAVELLING EXPENDITURE OF MINISTERS

	1947-48	1948-49	1944-45	1945-46
External Affairs	3,821	9,958	3,646	1,175
Home, Information, Broadcasting and States	4,305	27,196	11,261	12,468
Defence	3,256	4,326	74,785	1,12,550
			War member was also C-in-C of the three services.	
Finance	4,690	24,145	2,120	2,350
Agriculture and Food	16,946	12,859	29,456	27,294
Health	1,480	5,166	..	..
Communications	46,055	47,157	1,767	2,920
Law	8,802	4,716	5,310	9,986
Railway and Transport	537	2,916	1,839	4,360
Minister of State Railways	..	4,676	..	..
Works, Mines and Power	14,186	17,399	..	..
Commerce	4,872	4,508	7,241	10,034
Labour	6,300	9,500	3,250	8,669
Industries and Supply	6,204	16,380	19,623	8,246
Relief and Rehabilitation	1,057	2,794	..	..
Ministers of State R. & R.	..	9,249	..	..
Education	20,430	14,274	..	..

No. 701— PAY AND ALLOWANCES OF MINISTERS OF STATE

Name of Honourable Minister of State.	Date of appointment	T. A. drawn upto January 1949.
Honourable Shri Mohan Lal Saksena (Relief and Rehabilitation).	8-6-1948	Rs. 3,327
Honourable Shri K. Santhanam (Transport)	1-10-1948	Rs. 2,098
Honourable Shri R. R. Diwakar	7-12-1948	..
Honourable Satyanarayan Sinha	16-12-1948	..

Maulana Hasrat Mohani's Starred Question No. 713 (a) to (c) of 25th February, 1949.

RETRENCHMENT OF TEMPORARY PERSONNEL.

(a) Number of temporary personnel retrenched since 15-8-1947	14,644
(b) Number of approximate temporary personnel to be retrenched in future.	390
(c) Total number of Gazetted officers retrenched	129

Supplementary to Seth Govind Das's Starred Question No. 834 of 3rd March, 1949.

NEW STATE-OWNED STEEL WORKS FOR INCREASING PRODUCTION OF STEEL

Summary of the Project Reports of the three Consultants

1. *Introduction.*—In pursuance of the decision of Government in May, 1948, Koppers Co., and Arthur G. McKee and Co. of the U.S.A., and the International Construction Co., of the U.K., were appointed as Consultants for making a preliminary technical survey and report on two alternate schemes for the establishment of Steel Plants in India.

The terms of reference were to make a preliminary survey and report on two alternate schemes for the establishment of (1) one plant of one million ton capacity, and (2) two plants of half a million ton capacity, each with facilities for doubling these capacities, and to advise on selection of sites, facilities for transport, water-supply, power, acquisition, preparation and transportation of raw-materials, their conservation and utilisation, types of iron and steel materials to be manufactured in relation to estimated present and future demands and co-ordination of existing and new plants.

The three Consultants have since submitted detailed and exhaustive reports in accordance with their terms of reference which will enable Government to compare the relative merits of the three technical reports and decide which scheme, if any will be more suitable. Their recommendations are summarised below under relevant headings

2. *Demand and Supply.*—The three Companies differ to some extent in their estimates of the present and future demands for steel products, *e.g.*, Koppers' estimate the 1948 demand to be 2,608,000 tons, the International Construction Co's estimate for 1949 is only 2,046,289 tons and McKees' estimate for 1955 is 2,698,000 tons per annum. Koppers' estimate for 1953 demand is increased to 3,427,000 tons, while the International Construction Co., estimates the 1958 demand to be 3,200,000 tons. There is thus considerable variation in the estimates given by the three Consultants Koppers being more liberal in their estimates than the other two.

The variation in the estimates of the three Consultants is due to the fact that Koppers have adopted assumptions different from those of the other two. The International Construction Co., have based the 1949 estimate on information given to them by the Iron and Steel Controller; so also McKees' estimate for 1955 which shows an increase of 650,000 tons approximately on the International Construction Co.'s estimate of 1949 The I.C.C.'s estimate for 1958 shows a further increase of 600,000 tons on McKees 1953 figure Koppers have adopted different assumptions in that they have based their estimates not only on information given by the Iron & Steel Controller and other informed officers of the Central Government but also on the basis of independently developed reports on key industries and re-rollers. Their estimates are naturally, therefore, more optimistic and indicate the possibility of a much greater demand between 1949 and 1953, In fact, their estimate for 1953 is higher than McKees' estimate for 1955 and I.C.C.'s estimates for 1958

With regard to the supply position, all the three Consultants have accepted that the existing production capacity in this country is not more than 1,128,000 tons which leaves a deficit of not less than a million tons on the present demand, even on the most conservative estimate. They have, therefore, confirmed the necessity of the erection of an additional plant or plants of not less than one million ton capacity.

3. *Expansions and Renovation schemes of Existing main producers.*—All the three Consultants have examined the proposed expansion programmes of the existing main steel producers. As a result of their examination they all strongly recommend that Government should support these expansion schemes though Koppers have made some reservations on certain aspects of the schemes.

The expansion programmes of the main producers are briefly given below :

Tatas.—Tatas' expansion programme comprises two stages. In the first stage, a sum of Rs. 6.1 crores is proposed to be spent on repair and replacement of existing equipment to rehabilitate the production capacity of the Plant to reach the 1939-46 level. There has been a serious drop in production at Tatas due to the continued deterioration of their equipment worked to capacity during the war years without adequate replacements.

The second stage of expansion is estimated to cost Rs. 8.3 crores. Under this stage, Tatas will add a skelp mill, a Frets-Moon tube/pipe mill and a special steel plant for making alloy and tool steel. Both I.C.C. and McKees have recommended the second stage without reservations. Koppers have, however, made reservations that the design of the proposed tube/pipe mill should be re-examined before actual authorisation.

Scob.—Scob's proposed expansion programme involves an estimated expenditure of about Rs. 17 crores. Rs. 5 crores is required for expanding their present works in order to increase their production by 200,000 tons per annum. All the three Consultants have unanimously recommended this part of the programme.

A further Rs. 12 crores expenditure has been estimated for expanding their production by another 200,000 tons. This, as distinguished from the initial expenditure of Rs. 5 crores, has been termed the second stage of expansion. The International Construction Co., and McKees have recommended the second stage also without any reservation. Koppers, have, however, pointed out, that this second stage is supported only by data of a general nature and cannot, therefore, be accepted as conclusive, even though on the basis of estimated costs the additions required for the second stage involve a capital outlay of Rs. 500 only per gross ton which is substantially less than the capital outlay of a completely new plant. Koppers, therefore, consider that the second stage of Scob's proposed expansion scheme merits full support but nevertheless must be re-examined before Scob are authorised to proceed with this stage.

Mysore.—Mysore's proposed expansion programme when completed will give a production of 100,000 tons as against their present capacity of 24,000 tons. This is subject, however, to the supply of 30,000 tons of blooms from the existing producers or from the new steel works. The programme is already under way and as it will go far to satisfy the South Indian demand for additional rolled products, merits, in the Consultants' opinion, Government support.

Secondary Producers and re-rollers.—All the three Consultants have considered the requirements of the secondary producers and the re-rollers. They have estimated their future capacity at about 600,000 tons. Their requirements of billets and bars will be met partly as a result of the expansion of the existing steel plants but mainly from the proposed new steel plants.

All the three Consultants have pointed out that even if the above expansion programmes are implemented it will still leave a deficit of over one million tons per annum between demand and supply and have, therefore, unanimously supported the scheme for new steel plants.

4. *Raw Materials.*—All the three Consultants have confirmed that the two main raw-materials, iron ore and coal, will be available in adequate quantities and that India's reserves, with careful utilisation, are more than sufficient for the life of existing steel plants, and new steel plants up to 2 million tons capacity.

Iron Ore.—Both McKee and I.C.C. consider India's Iron ore reserves in the C.P., and Bihar to be almost inexhaustible and of the highest quality. Koppers while accepting this position consider that there is a definite and urgent need for engineering operations at each known undeveloped iron ore deposit with a view to securing authentic proof of the extent of deposit as well as to mark out the readily recoverable ore and to secure truly representative samples.

All the three Consultants have agreed that iron ore deposits available in Bihar, the C.P., and Orissa are sufficient in quantity for erection of new steel plants in these Provinces and are also of suitable quality. (The Iron content is not less than 58 per cent in any of these areas. The iron content of Tatas' Noamundi Ores is approximately 60 per cent). All the three Consultants have confirmed the existence of iron ore in Madras. They have not, however, recommended the erection of the steel plant in this Province for other reasons.

Coal.—All the three reports have confirmed that the reserves of coking coal will be ample if used only for the manufacture of coke, for at least 150 years after taking into account the requirements of the present steel plants and the proposed new plants.

All the three reports have assumed that initially good coking coal will only be available from the Jharia, Giridih and Raniganj coal fields.

Koppers accordingly have assumed that coking coal will be available from these fields only. I.C.C. and McKees, however, have presumed that C.P., and Orissa coal will be suitable for mixing with the coal of the above fields for coking purposes in a 30 per cent. and 17 per cent. mixture.

All the three reports have also stressed the need to preserve the good coking coal available in Bihar purely for coking purposes and have recommended that this coal should not continue to be used for purposes other than metallurgical. They also recommend an intensification of research work in the coal fields of Orissa and the C.P.

Limestone and Dolomite.—All the three reports have confirmed that there are adequate supplies of these raw-materials in India, particularly in the C.P., Orissa and Bihar. Koppers, however, consider that investigation should be undertaken with a view to establishing deposits (flux stones) of suitable analysis and quality. McKees and I.C.C. have presumed that such deposits will be available near the sites recommended by them.

Manganese.—I.C.C., and McKees have accepted the general presumption that India's supply of this item is almost inexhaustible. Koppers have, however, stated that it is difficult to appraise the situation but consider that reserves have not been proved and that India is not particularly endowed with this ore, at least in the high-grade category. In fact they recommend that export of high grade ore should be scrutinised meticulously.

Magnesite and Fluor Spar.—Neither McKee nor I.C.C. have made any special mention of these raw-materials, presumably because the requirements of these raw-materials in a steel plant are negligible (10,000 tons of magnesite and 3,000 to 5,000 tons of Fluor Spar per annum are required for a million ton plant.) Koppers, have, however, confirmed that there are sufficient deposits of Magnesite in India, while Fluor Spar deposits are worthy of development for at least a part of the desired tonnage. Magnesite is available in Madras while Fluor Spar is available in the C.P.

Refractories.—All the three Consultants have stated that the present refractory production is very inadequate for the construction and maintenance of the New Steel Works, and for the extension of the existing works. They have, therefore, recommended that new refractory works should be built without delay.

5. *Plant or Plants.*—In submitting their alternative schemes both Koppers and I.C.C. have strongly recommended the adoption of the two-plant scheme for the same reasons, *viz.*, greater flexibility in production, more rapid construction, decentralisation, and greater flexibility for doubling at a later date. These facilities, they consider, out-weigh the lower capital cost of an one-plant scheme. McKee have submitted plans for both schemes, but without any comments.

Differences in Types of Plants.—Two of the Consultants specify one plant for the manufacture of rails, structurals, billets and bars, with the second plant to produce plates, strip and sheets. The third Consultant specifies one plant to manufacture rails, heavy and medium structurals, and plates, with the second plant to produce medium structurals, light rails, billets, bars and merchant products. This Consultant is of the opinion that a strip mill is not warranted in the first stage of the project.

6. *Estimated Capital Costs.*—As the plants and types of products recommended differ and as the rolling mills proposed are not uniform, there is a difference in the estimated capital costs of the three Consultants. Further, the capacity of the various plants proposed also differs in so far as they are related to the types of products proposed. The Consultants have also adopted different assumptions and methods of estimating in giving their total costs. If, however, common factors are taken into account, there is substantial agreement among the Consultants in their estimates of capital costs per ton of finished product, which works out approximately to Rs. 1,000 per ton.

For one plant of 500,000 to 600,000 tons capacity the estimated capital costs will be between Rs. 50 and 60 crores. This does not include the cost of the town, labourers' quarters, additional railway facilities for the transport of raw materials and finished products, new refractory plants etc.

Operating Costs.—As in the case of the estimated capital costs of the plants, the estimated operating costs of the products as submitted by the Consultants also differ. The variation in the estimates of the operating costs is obviously due to differences in the assumptions regarding cost of a few major factors *e.g.*, supervision and labour costs, percentage of wastage allowed, types of products produced, credit allowed for various by-products etc.

A preliminary study shows that if allowances are made for these factors, the differences in the estimate of operating costs per ton of finished steel are much narrower than they appear at first sight. Thus, the estimated operating costs of production of bars and rods ranges from about Rs. 100 to 125 per ton. These are exclusive of interest on capital and depreciation. Assuming, as all the Consultants do, that the latter would normally be the same as the operating costs, the cost of production of finished steel (bars and rods) would range somewhere between Rs. 200 and 250 per ton.

8. *Location.*—All the three Consultants have selected sites in Orissa and the C.P., for the two-plant scheme. The actual sites recommended are:

C. P.	
Bilhai	Recommended by I. C. C.
Tandula	„ Koppers
A site in Drug district	„ McKee.
Orissa	
Bonaigarh	„ I. C. C.
Hirakud	„ Koppers
Barakoto	„ McKee

McKee for their one-plant scheme prefer the C.P. to Orissa. Koppers have expressed no opinion on this point.

Before selecting these two provinces for the proposed sites, all the three Consultants have considered the advantages and disadvantages of all centres which have been recommended by the various official authorities.

All the three Consultants have ruled out any site in Madras for the present, due to the distance and transport difficulties in sending coking and steam coal from the present coal-mining areas, there being no known deposits of coking coal in the South and very few deposits of other coal (the only working mine at present is Singhareni, Hyderabad). I.C.C. have, however, added that, if and when further additional steel capacity is required, selection of a site in South India should merit careful consideration.

The site at Monghyr has also been ruled out by all the three Consultants, due to the high cost of assembly of raw materials and distribution of finished steel.

I.C.C. have considered Bermo and Siodri in Bihar, Bonaigarh in Orissa, Bilhai in the C.P., and Durgapur in West Bengal.

Koppers have considered Sindri in Bihar, Hirakud in Orissa, Tandula in C.P., and Durgapur in West Bengal.

McKee have considered Sindri in Bihar, Sambalpur and Barakote in Orissa, a site in Drug District in the C.P., and Durgapur in West Bengal.

All the three Consultants have ruled out Durgapur on the ground of dispersal—it is too near the existing steel plants—and also on the ground that the existing steel plants are situated to distribute their products in the Calcutta region whereas any new steel plant will have to accommodate to a greater extent the demands of the rest of India. They all estimate that the cost of freight on raw-materials and distribution will be higher at Durgapur than at the sites recommended.

Sindri has also been ruled out by all the three Consultants as it will suffer from the same defect as Durgapur from the point of view of dispersal and marketing of products. I.C.S., have estimated that the cost of assembly of raw-materials and cost of distribution of finished steel will be cheapest at Sindri with the exception of Bermo (Bihar) whereas Koppers have estimated that these costs for Sindri will be higher than those for the sites in the C.P. and Orissa. McKee have estimated that these costs for Sindri will be about the same as those for the sites in the C.P. and Orissa.

Koppers and McKee have recommended the C.P. and Orissa sites not only from the point of view of dispersal and strategic reasons but also because their combined estimates for costs of assembly of raw-materials and cost of distribution of finished products are less for the sites in these areas as compared to other sites in Bihar and West Bengal. I.C.C. whose estimate for Sindri and Bermo are less than that for the C.P. and Orissa sites, nevertheless prefer the C.P. and Orissa sites because of dispersal, strategic reasons and being away from the present congested transport system.

The selected sites in Orissa and the C.P., recommended by the three Consultants, are more or less in the same area. McKee have preferred Barakole to Sambalpur (Hirakud) as with the construction of a railway from the present terminus in Talcher coal fields the cost of assembly and distribution will be less than in Sambalpur, both sites possessing all other facilities.

Koppers have preferred Hirakud (Sambalpur) to Barakote, the reason being better water supply.

I.C.C. have selected Bonaigarh which is nearer to Barakote than Hirakud and is dependent on water from the river Brahmani as is Barakote. They have preferred this site as its assembly and distribution costs will be less than those of the other two sites (Sambalpur and Barakote).

In the C.P., I.C.C. have selected Bilhai, a site 16 miles west of Raipur in the district of Drug, while McKee have specified a site without name in the district of Drug, also 16 miles west of Raipur. It appears, therefore, that these two Consultants have selected the same site. Koppers have specified a site in Tundula region which lies within the same area. Both McKee and I.C.C. have selected the site on the ground that the cost of assembly, etc., will be cheaper at this site than in other sites in the C. P.

All the three Consultants in selecting these sites have confirmed that water supply will be adequate, that they lie in regions where the rail-road system will be expanded for reasons of public welfare entirely separate from the demands of the proposed steel plants, and that they possess definite advantages from the point of view of decentralisation and strategic importance.

Prof. N. G. Ranga's Supplementary to Sardar Hukam Singh's Starred Question No. 1007 of 9th March, 1949

PROMOTIONS TO POSTS OF SUB-DIVISIONAL OFFICERS IN C. P. W. D.

The Central Engineering Service, Class II, in the Central Public Works Department has been constituted with effect from 1st September 1948. This Service has merely replaced the posts of S. D. Os. which existed in the C.P.W.D. before the constitution of Class II Service. Consequently S.D.Os. who had rendered several years service in the C.P.W.D. have been appointed to Class II Service temporarily. Several displaced persons from Pakistan have also been appointed to that Service. Direct appointments to Class II Service, but not promotions made thereto from amongst the cadre of permanent Section Officers, require the approval of the Federal Public Service Commission. The Commission's approval has already been sought to the temporary appointment of the S.D.Os. to Class II for a period not exceeding 5 years. The approval of the Commission is still awaited.

Out of the total of 304 men appointed in Class II Service, 114 posts are permanent. Out of permanent posts, 12 are proposed to be recruited through the F.P.S.C. and the rest are being filled up by promotion of permanent section Officers and appointment of temporary S.D.Os. on the basis of merit with the concurrence of the Commission.

Draft Rules for recruitment to Class II Service have been prepared and are being finalised in consultation with the Commission. In future recruitment to Class II Service will be made in accordance with those rules.

Pandit Thakur Das Bhargava's Starred Question No. 1042 of 10th March, 1949.

ISSUE OF INSTRUCTIONS RE AGE OF RETIREMENT

Number of persons from the attached and subordinate offices of the Ministry of States who were retired from service at the age of 55 years under the old interpretation of Fundamental Rule 56(b) (i) after it had been interpreted differently in 1946 is thirty-four.

Shri Lakshminarayan Shahu's Starred Question No. 1191 of 18th March, 1949.

ALLOWANCES TO GUARDS WORKING ON SMALL QUICK TRANSIT TRAINS.

(a) On the East Indian Railway Guards working on Smalls Quick Transit trains were being paid a consolidated allowance of Rs. 150 p.m. plus a consolidated allowance representing pay for 4 Sundays per month. S.Q.T. Guards on other Railways were not being paid any consolidated allowance.

(b) Guards working S.Q.T. trains are now entitled to a 'mileage allowance' the value of which will be computed as fallows :

First 40 miles at double the mileage, next 40 miles at 1½ times the mileage and balance as for actual mileage, the allowance for 100 miles being Rs. 1-8-0.

Shri H. V. Kamath's Starred Question No. 1948 of 15th March, 1949.

PAY SCALES OF HEADMASTERS IN SEALDAH DIVISION OF E. I. RAILWAY.

(a) Yes.

(b) The designation "Head Mate" is a legacy of the ex-Bengal Assam Railway. The Central Pay Commission did not make any recommendations regarding these designations or descriptions.

(c) Yes.

(d) The difference in the prescribed scales is due to their old scales having been different. The matter of treating both categories uniformly is under consideration.

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Official Report

Volume IV, 1949

(6th April, 1949 to 9th April, 1949)

Fourth Session

OF THE

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

1949

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Thursday, 7th April, 1949

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

QUESTIONS AND ANSWERS

(See Part I)

11-45 A.M.

ELECTIONS TO CENTRAL TEA BOARD, CENTRAL ADVISORY BOARD OF ARCHAEOLOGY, STANDING COMMITTEE FOR MINISTRY OF FOOD AND COMMITTEE TO REVIEW WORKING OF RAILWAY CONVENTION

Mr. Speaker: I have to inform the Assembly that upto the time fixed for receiving nominations for the Central Tea Board, the Central Advisory Board of Archaeology, the Standing Committee for the Ministry of Food and the Committee to review the working of the Railway Convention, two nominations in the case of each of the first and second and one nomination in the case of each of the third and the fourth were received. As the number of candidates is equal to the number of vacancies in each of these committees, I declare the following members to be duly elected:

I. *Central Tea Board.*—Shri C. M. Poonacha, Shri Upendranath Barman.

II. *Central Advisory Board of Archaeology.*—Prof. Shibban Lal Saksena, Shri S. M. Ghose.

III. *Standing Committee for the Ministry of Food.*—Sreematty Annie Mascarene.

IV. *Committee to review the Working of the Railway Convention.*—Shri Mahavir Tyagi.

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AUTHENTICATED SCHEDULE OF AUTHORISED EXPENDITURE—OTHER THAN RAILWAYS

Supplementary Expenditure for 1948-49

The Honourable Dr. John Matthai (Minister of Finance): Sir, I beg to lay on the table in pursuance of section 36 of the Government of India Act, 1935, as adapted read with sub-section (1) of section 35 thereof, an authenticated schedule of authorised supplementary expenditure for the year 1948-49 in respect of expenditure other than Railways.

In pursuance of the provisions of Section 36 of the Government of India, Act, 1935, as adapted by the India (Provisional Constitution) Order, 1947 read with sub-section (1) of Section 35 thereof, I, Chakravarti Rajagopalachari, Governor General of India, do hereby authenticate by my signature the following schedule of supplementary expenditure from the revenues of the Dominion for the year 1948-49 :

SCHEDULE

Service, Administration or Area to which Demand relates.	Amount (in thousands of rupees) Voted	Charged	Total
1. Customs	25,27	..	25,27
2. Central Excise Duties	1	..	1
3. Taxes on Income including Corporation Tax	10,64	..	10,64
6. Stamps	15,89	1,32	17,21
7. Forest	5,32	..	5,32
10. Cabinet	1,82	..	1,82
11. Constituent Assembly	4,06	..	4,06
13. Ministry of Home Affairs	16,40	..	16,40
16. Ministry of Education	1,24	..	1,24
19. Ministry of External Affairs and Commonwealth Relations.	12,82	..	12,82
20. Ministry of Finance	5,00		5,00
21. Ministry of Commerce	12,43		12,43
24. Ministry of Communications	57		57
25. Ministry of Transport	5,79		5,79
26. Ministry of Food	16,08		16,08
27. Ministry of States	4,33		4,33
28. Ministry of Defence	3,71		3,71
29. Ministry of Industry and Supply	1,70		1,70
30. Ministry of Relief and Rehabilitation	1,45		1,45
32. Payments to other Governments, Departments, etc. on account of the Administration of Agency Subjects and management of Treasuries.	18,67		18,67
33. Audit	38,75	3	38,78
34. Administration of Justice	2,46	1,11	3,57
35. Jails and Convict Settlements	1	..	1
36. Police	7,88	..	7,88
37. Ports and Pilotage	1	..	1
38. Lighthouses and Lightships	1,25	..	1,25
39. Ecclesiastical	33	..	33
40. Tribal Areas	36,16	..	36,16
41. External Affairs	63,85	..	63,85
42. Survey of India	8,78	..	8,78
44. Zoological Survey	50	..	50
48-A. Department of Scientific Research	4,57	..	4,57
53. Agriculture	72,35	..	72,35
54. Civil Veterinary Services	6,30	..	6,30
55. Industries and Supplies	5	..	5
57. Overseas Communications Service	12,09	1,40	13,49
57-A. Delhi Transport Service	45,58	62	46,20
57-B. Telephone Factory	95	38	1,33
59. Broadcasting	5,25	..	5,25
61. Census	1,58	..	1,58
63. Indian Dairy Department	79	..	79
64. Miscellaneous Departments	74	..	74
65. Currency	2,71	..	2,71
66. Mint	11,89	..	11,89
67. Civil Works	11,50	..	11,50
71. Stationery and Printing	35,16	..	35,16
72. Miscellaneous	12,98,45	15	12,98,60
73. Expenditure on Refugees	9,11,32	..	9,11,32
74. Defence Services—Effective—Army	17,61,45	..	17,61,45
77. Defence Services—Effective—Supplies and Stores	20,65,36	..	20,65,36
78. Defence Services—Non-effective Charges	1,14,52	..	1,14,52
82. Civil Defence	1,08	..	1,08
82-A. Pre-partition Payments	20,61,27	13,7	320,75,00

Service, Administration or Area to which Demand relates —contd.

		Voted	Charged	Total
83.	Delhi	74,11	19	74,30
84.	Ajmer-Merwara	26,68	..	26,68
85.	Panth Piploda	17	..	17
86.	Andaman and Nicobar Islands	10,30	2	10,32
87.	Relations with Indian States	7,63	..	7,63
	Staff, Household and Allowances of the Governor General.	..	4,17	4,17
	Federal Public Service Commission	..	5,20	5,20
92.	Capital Outlay on Industrial Development	2,55,61	..	2,55,61
95.	Capital Outlay on Currency	5,90,11	..	5,90,11
96.	Capital Outlay on Mints	4,83	..	4,83
99.	Commuted value of Pensions	1,17,23	..	1,17,23
101.	Defence Capital Outlay	11,34,08	..	11,34,08
102.	Capital Outlay on Schemes of State Trading	1	..	1
103-A.	Payments to Government of Pakistan for Unique Institutions.	5,07,98	..	5,07,98

NEW DELHI;
The 6th April, 1949.

C. RAJAGOPALACHARI,
Governor General of India.

STATEMENT OF CASES IN WHICH LOWEST TENDERS HAVE NOT BEEN ACCEPTED BY INDIA STORE DEPARTMENT, LONDON.

The Honourable Dr. Syama Prasad Mookerjee (Minister of Industry and Supply): Sir, I beg to lay on the table a copy of the half-yearly statement of cases in which the lowest tenders have not been accepted by the India Store Department, London.

HIGH COMMISSIONER FOR INDIA

INDIA STORE DEPARTMENT

ABSTRACT OF CASES in which tenders for stores demanded by the Central Government, other than the lowest complying with the technical description of the goods demanded were accepted on the grounds of superior quality, superior trustworthiness of the firm tendering greater facility of inspection, quicker delivery, etc.

HALF YEAR ENDING 31ST DECEMBER, 1948

Cases in which the discrimination is between British Firms only

Stores ordered	Quantity	Contract Number	Name of Contractor	Amount of Contract	Lowest tender not accepted	Reason for acceptance
				£ s. d.	£ s. d.	
P. L. L. C. Cable	945 feet	H 1996/638/ 6-12-48	British Insulated Callender's Cables Ltd.	346 0 0 (British)	317 15 0 (British)	The stores were required in satisfaction of a defence demand. As the Lower tenderer offered delivery in 42/44 weeks, the higher offer for delivery in 8 weeks was accepted.

Cases in which British tenders were set aside in favour of foreign tenders

Petrol tanks	Nos. 200	H. 2041/S. 6566/ 7-12-48	Soc. An des Ateliers de Construction de Familleureux.	Belgian Francs 14,121,000 (at 176·5 to the £- £80,003·13·4)	71,600 0 0 (British)	The lowest tenderer offered delivery by October 1949—May 1950. The prices were referred to the Railway Board, New Delhi, who instructed that the order be placed with the Belgian firm at the higher price, in view of the earlier delivery promised viz. 100 tanks in August and 100 in September 1949.

POINT OF ORDER

REFERENCE OF THE INDUSTRIES (DEVELOPMENT AND CONTROL) BILL TO SELECT COMMITTEE WITHOUT DISCUSSING IN THE STATEMENT MADE BY PRIME MINISTER ON FOREIGN INVESTMENTS:

Shri B. Das (Orissa: General): Sir, before the proceedings are begun, I wish to draw your attention to the fact that yesterday the House accepted the motion to refer to the Select Committee the Bill to provide for the development, regulation and control of certain industries. The very first principle underlying that Bill is to accept the Statement made by the honourable Prime Minister on the floor of this House with regard to foreign investments in India. Unfortunately the House could not discuss that important statement made by the honourable Prime Minister nor offer its views. We raised a point in the House at the last moment and the honourable Minister for Industry and Supply agreed that the House should find an opportunity to discuss the question of foreign capital invested in our industries. I would like to have your definite ruling whether by referring that Bill to the Select Committee, we are committed to the acceptance of foreign capital in India or whether the Government owes a duty to the House to bring forward definite contracts or agreements before they are entered into with foreign capitalists and take the sanction of this House before foreign capital is invested in India.

Shri R. K. Sidhva (C.P. and Berar: General): There is no reference to the capital in the Bill, Sir.

Mr. Speaker: The honourable Member has raised points, which I must study, and there is no immediate hurry about this ruling just at present. I will consider the matter and then say, whatever I have to say in the matter.

INDIAN PASSPORT (AMENDMENT) BILL

The Honourable Sardar Vallabhbhai Patel (Minister of Home Affairs and the States): Sir I beg to move for leave to introduce a Bill to amend the Indian Passport Act, 1920.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to amend the Indian Passport Act, 1920."

The motion was adopted.

The Honourable Sardar Vallabhbhai Patel: Sir, I introduce the Bill.

REGISTRATION OF FOREIGNERS (AMENDMENT) BILL.

The Honourable Sardar Vallabhbhai Patel (Minister of Home Affairs and the States): Sir, I beg to move for leave to introduce a Bill to amend the Registration of Foreigners Act, 1939.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to amend the Registration of Foreigners Act, 1939."

The motion was adopted.

The Honourable Sardar Vallabhbhai Patel: Sir, I introduce the Bill.

DELHI ROAD TRANSPORT AUTHORITY BILL

The Honourable Shri K. Santhanam (Minister of State for Railways and Transport): Sir, I beg to move for leave to introduce a Bill to provide for the establishment and regulation of s Road Transport Authority for the promotion of a co-ordinated system of road transport in the Province of Delhi.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the establishment and regulation of a Road Transport Authority for the promotion of a co-ordinated system of road transport in the Province of Delhi."

The motion was adopted.

The Honourable Shri K. Santhanam: Sir, I introduce the Bill.

PAYMENT OF TAXES (TRANSFER OF PROPERTY) BILL—*contd.*

Mr. Speaker: The House will now proceed with the consideration, clause by clause of the Payment of Taxes (Transfer of Property) Bill, 1949. Clause 2.

Mr. Mohd. Tahir (Bihar: Muslim): Sir, I beg to move:

"That after part (ii) of clause 2 of the Bill, the following new part be added:

'(iii) who, in the opinion of the District Magistrate, is a citizen of India and wants to transfer his immovable property on any other ground pertaining to public or his private affairs.'"

Sir, this Bill contemplates three kinds of transfer by three kinds of persons: firstly, by those who have left India and have settled in any other country; secondly transfer by one who leaves India and thirdly transfer by one who is likely to leave India to settle in any other country. Sir, I have felt some difficulty and, therefore, I have put this amendment for those persons, who, for all intents and purposes, are citizens of India. They are born as citizens of India and also they are to die as citizens of India. For instance, let me take the case of a Muslim, who is a citizen of India for all time to come and he wants to transfer his property. The question is whether such a vendor can obtain a certificate under this Bill. Sir, he cannot obtain such a certificate under this Bill unless he declares himself as one who is likely to leave India or has already left India. Therefore that class of persons will be put to great difficulty. The purchaser is not going to purchase a property unless he is satisfied about the clearance of the taxes. Therefore it is necessary that some provision should be made for those persons. Of course, under the letter of the law, every citizen who wants to transfer his property will not be affected. But in the existing circumstances of the country I am convinced that if a Muslim is going to transfer his property, no purchaser will believe him if he says that he is going to remain in India, although it is a fact that he is a citizen of India and is not going to leave the country. One might wish to transfer his property for financial reasons; or one might wish to transfer his property to charitable institutions; or one might wish to transfer his property because of his inability to manage it properly. In such cases it will be very difficult to transfer property without financial loss. I, therefore, appeal to the House to see that by means of legislation such persons are not put to difficulty and trouble.

Another reason I want to urge in support of my amendment is this: The Ordinance which was the forerunner of this Bill applied to all the citizens of India, whereas this Bill does not. Although the letter of the law does not say that, it applies to a particular section of the people of India or a particular section of a community. In its spirit it does apply to a particular section of the community or people of India, namely the Muslims. Therefore, I submit that unless my amendment is accepted, this law will be illegal and *ultra vires*. Because, Sir, you will not find any country on the surface of the earth where discriminatory legislation is passed. Such legislation is always illegal. Supposing we want to introduce prohibition in the country and we introduce in favour of one community and not in favour of another community: that would be discriminatory law and perfectly illegal.

Sir, the Constituent Assembly of India, which is the sovereign body of our country has already adopted a provision that there shall be a uniform civil law throughout the country. I put it to you to decide and give a ruling on the question whether this Bill does or does not come within the purview of the civil law. If it does come within the purview of the civil law as I think, Sir, it does, I will say that this is not a uniform law for the country. It is meant for a particular section and class and therefore it is *ultra vires*. In view of this I have submitted this amendment which I hope the House will receive with due consideration. The other day, when the motion for consideration of the Bill was under discussion and Mr. Karimuddin spoke on it, I found that many of the honourable Members expressed their view that in spirit the Bill applied to a particular community. Therefore, I think it is not proper. Some arrangement should be made to see that the class of citizens of India I have mentioned are not put to trouble and difficulties by this piece of legislation.

12 Noon

Mr. Speaker: Amendment moved:

"That after part (ii) of clause 2 of the Bill, the following new part be added:

'(iii) who, in the opinion of the District Magistrate, is a citizen of India and wants to transfer his immovable property on any other ground pertaining to public or his private affairs.'"

The Honourable Dr. John Matthai (Minister of Finance): I do not accept the amendment, Sir.

Maulana Hasrat Mohani (U P.: Muslim): I beg to support Mr. Mohd. Tahir because I have seen the attitude of the Custodian here. I have got definite cases where he has taken advantage of these things. For example, I may say that there is 'Alamein', an electric press.

Mr. Speaker: I may invite the attention of the honourable Member to the fact that the Custodian does not come into the picture in the manner he is suggesting. He may restrict his remarks to what is found in the Bill and not go beyond the scope of the Bill.

Maulana Hasrat Mohani: What I want to submit is this. Anybody who wants to transfer his property has got to obtain a licence for doing so. For getting that licence he has, in some way or another, to get the opinion of the Custodian. The Custodians are always suspicious. They suspect that people who want to transfer their property will go to Pakistan or somewhere else. I support Mohd. Tahir in this respect, because anybody who is a *bona fide* resident in India may not be subjected to suspicion of this kind. A certificate of good intentions from a magistrate or a custodian or anybody else, one may not be able to get. I, therefore, fully support what fell from the lips of my friend Mr. Tahir.

Shri Prabhu Dayal Himatsingka (West Bengal: General): I feel that the honourable mover is labouring under a misapprehension as to the intentions of this legislation. There are two definite classes of persons who are intended to be affected by this legislation. My honourable friend wants to extend its scope to more classes of persons. I do not know if that is to an advantage to anybody, nor do I see what difficulty can be created in the way of a person who is a citizen of India desirous of transferring his property. Every person is either a tax-payer or not a tax-payer. If he is a tax-payer and has paid his tax, there will be no difficulty for him in getting the certificate required. If he is not a tax-payer he can easily satisfy the authorities. The purchaser does not run any risk. I do not see how the provisions under clause 2 can affect any citizen of any community in India.

Then, he suggested that this is a discriminatory legislation. There also, I do not see how he can make that suggestion or insinuation. This Act says that it will apply to a particular class of persons who have left or who want to leave.

[Shri Prabhu Dayal Himatsingka]

or regarding whom a certain declaration has been made and sent to the registering officer. Therefore, the position is quite clear. I hope that the Bill will be passed quickly because the delay is causing a lot of difficulty in certain provinces where registration has been held up because the officers do not know what the position is: the ordinance has lapsed and no new legislation has been enacted.

I oppose the amendment.

Pandit Thakur Das Bhargava (East Punjab: General): Sir, when I heard the honourable the mover of the amendment, I was rather surprised. As a matter of fact, when he wants to add a new part (*iii*) after part (*ii*) of clause 2, he wants to extend the scope of the Act. His complaint, as I understood him, was that this is a discriminatory piece of legislation. Instead of taking away part (*ii*) if he thinks it is objectionable, he wants to see that it applies to every Muslim, every Hindu, every Christian and every Sikh. He wants to lay an embargo on the disposal of property. We passed section 13 of the Constitution and in that we have enacted a fundamental right to the effect that every person shall be able to hold, acquire and dispose of his property. In fact, the right of disposal of property is a fundamental right. My friend wants that if parts (*i*) and (*ii*) are to remain, then, every citizen of India should be disabled from transferring property unless he obtains a certificate, etc. As I submitted on the day on which this Bill came up for consideration, the object of the original Bill was to see that taxes are collected from those who want to go away from India and settle elsewhere. As a matter of fact, it does not touch any Muslim of India if he wants to remain here. All the Muslims who want to live in India are on the same level as the Hindus. This is not discriminatory at all. In regard to those also who want to leave India for all time, and go away, it is not fair that they should go away without paying taxes which are legitimately due to the Income-tax Department. In fact, if we compare this legislation with the legislation which we have got in Pakistan, there is absolutely no comparison. The Pakistan authorities have gone a step further. In fact, even the Ordinance which this Bill seeks to replace was passed by the Pakistan Government first and then the Government of India passed that Ordinance just like the Ordinance of the Pakistan Government: but it was not on the same level. If today a person wants to go to Pakistan from here and dispose of his property, unless he disposes of his property and returns within 15 days, the man will not be allowed to return to India unless he pays the taxes. There is no such provision here, because we do not believe in retaliation. We have made our law quite consistent, quite fair that nobody can take any sort of exception to it.

In regard to the application of parts (*i*) and (*ii*) of section 2, also my submission is that there is absolutely no discrimination. If my friend wants to put part (*iii*) here, he has not realised the consequences. Now, it only applies to such people who want to leave India. If the amendment is accepted, it would apply to everybody. Nobody would be able to dispose of property; all business would be dislocated; all property would be depreciated in value. A lot of confusion would result if all the persons in this country are not allowed to transfer their property for good value without any certificate from the Income-tax authorities. So far, I have never seen such a restriction being placed on the citizens of this country. When this original Bill was referred to the Select Committee, it was brought into line with the intention of the framers of the Bill. I submit, Sir, that this amendment should at once be rejected by the House.

Kazi Syed Karimuddin (C.P. and Berar: Muslim): May I speak, Sir, opposing the amendment and also on the section?

Mr. Speaker: Yes.

Kazi Syed Karimuddin: When I argued that section 2 should not be enacted, I expected some reply from the honourable the Finance Minister. My chief ground in opposing section 2 was that it gives room for corruption. The honourable the Finance Minister in reply to the general discussion did not say a word about the points raised by me. There is another Bill pending on the agenda that there is influx of people coming from Pakistan, which means there are very few people who are going from here and all the travel is only one way. For a few people who are likely to leave this country and defeat the collection of income-tax, we are framing a law, the result of which will be that a large number of people will be harassed as they have been harassed in the past merely on the ground that there is a suspicion attached to the Muslims, because there was mass migration on a communal basis after August 1947. There is no doubt that it was on a communal basis that there was a mass migration. Hindus and Sikhs from Pakistan came this side and Muslims went that side. Therefore, the authorities interpreted that any Muslim in India wanting to alienate his property was likely to leave this country. Now, when the Government of India is of the opinion that a very few Muslims are going from here and a large number of Muslims are returning back to India, I do not think there is any reason why a discriminatory legislation like the present one should be enacted. The honourable Pandit Thakur Das Bhargava thought at the time of the general discussion and even today thinks that this is not a discrimiuatory measure at all. But, I maintain that it is a discriminatory measure. I do not say that this has been brought particularly to punish the Muslims. I do not maintain that point of view at all. But the result of this enactment would be that every Muslim who would like to alienate his property will be suspected as he has been suspected that he was likely to go to Pakistan or anywhere else. Therefore, with a view to avoid this, the provisions of section 4 would have been quite sufficient, if from the property that is to be sold or already sold the tax could be charged and could be realised as land revenue.

Pandit Thakur Das Bhargava: From the transferees?

Kazi Syed Karimuddin: From the property. You can proclaim to the whole world that the property has to be purchased subject to the payment of taxes. At the time when the purchaser wants to purchase this property, he should make enquiries. In every registration office, there should be a list, supplied by the Income-tax Department, showing the persons who are liable to Income-tax or what is the amount to be realised against them. If this section 2 is passed, then the Collector, the Custodian and the Income-tax officer will have very wide and arbitrary powers. The Collector will issue a certificate on information, which may be unfounded, that a man was likely to go away. What would be the result? What we have been impressing upon the House and the honourable the Finance Minister is not that he has any intention of penalising the Muslims of this country; that is not our point. Our point is that this has been subject of great harassment in the past, even in the case of Hindus, as you will find in the Minutes of dissent, and more in the case of the Muslims, who according to the authorities were likely to go away to Pakistan. Therefore, my submission is that if the collection can be made by any other provision, then, you should not have this discriminatory measure, and particularly section 2 should not be enacted.

It is said that in the past several people from here had gone away to Pakistan and they have not paid the taxes. Section 3 enacts that a certificate should be taken from the Income-tax officer in regard to the payment of the Income-tax. Again, there would be very great difficulties in securing the certificates. As my friend Mr. Tahir says, suppose a citizen of India who is a Muslim wants to alienate his property, and if a certificate is issued by the Collector without any foundation that he is likely to run away or he is a man

[Kazi Syed Karimuddin]

from whom a certificate should be demanded, then, he has to go to the Income-tax officer and a certain procedure has to be adopted before he can alienate the property. Therefore, my submission is that it should be proclaimed by law that the transferee should make inquiries about the property that is to be transferred, that is, about the title and whether income-tax has been paid, etc; and that property alone will be subject to income-tax. My honourable friend Pandit Bhargava is right in saying that the amendment of Mr. Tahir extends the scope of clause 2. If this amendment is accepted it will mean that everybody will have to take a certificate. Now under clause 2 those against whom no certificate is issued by the Custodian or by the Collector or by the Income-tax Officer may be able to sell the property although the transferee may insist on the production of a clearance certificate. But if this amendment is accepted it will enlarge the scope and perhaps every citizen of India will have to take a certificate.

Now, Sir, I expected at least an assurance from the Finance Minister that in the actual working of this clause 2 great care will be taken by Government to see that there is no unnecessary harassment. Even that assurance was not given. My honourable friend Mr. Krishnamachari has very well appreciated the argument that I advanced and also insisted that an assurance of that kind should have been given by the honourable Minister. For all these reasons I submit that this clause 2 if enacted will work to the great detriment of Muslims who have made India their homeland; and it is bound to be abused. This clause therefore should not be passed; it should only be provided that the property that is to be sold should be the subject matter of income-tax and a list should be supplied to the Registrar by the Income-tax Officer showing the income-tax of a person owning the property. Otherwise it will work as an engine of harassment and there will be wide scope for corruption. I hope the honourable Minister will withdraw this provision.

Mr. Naziruddin Ahmad (West Bengal: Muslim): Sir, my objection to clause 2 is based upon wider grounds. In fact when the Ordinance was promulgated and when the original Bill came before the House it was found that the Ordinance had created a good deal of difficulty and the Bill would simply repeat the process and be open to the same objection. The Bill was sent to the Select Committee with the specific request—unofficially expressed—that it should be so changed as not to bring all sorts of people within the mischief of the law but to restrict it to those who should really be affected by it. In order to be affected by it, there are two conditions to be answered, first, that they have taxes left unpaid, and secondly, that they are leaving. It is not merely the act of leaving that should bring a person within the mischief of the law but arrears of taxes. Now, clause 2 attempts to define the person to whom this Act shall apply. In clause 2(*i*) it is stated that the Act applies to such person as 'leaves' or 'has left'. This is very vague and it is difficult to find a distinction between the two expressions. Secondly, and alternatively, it applies to any person about whom a declaration is communicated to the Registering Officer that he is a person to whom the Act applies. This condition eliminated a large class and will not act as a hardship. By sub-clause (*ii*) it is definitely provided that the Registering Officer has to refuse registration of documents of persons against whom there is a declaration of applicability of the Act. So the law is that if a man goes to the Registering Officer he will register the document unless there is a declaration laid before him and communicated to him by the proper officer like the Custodian of Evecuee Property or the Collector. Therefore clause 2 (ii) removes a good deal of hardship and harassment. My difficulty is about clause 2(*i*) of which the intention is that it will apply to those who leave or have left India. It is to be considered in its practical application to clause 3 which says that the Registering Officer would refuse to register a

document executed by any "person to whom this Act applies". In fact the person to whom this Act applies, although attempted to be defined with apparent clarity, will not be quite intelligible to the Registering Officer. A man who may be out of the mischief of this law according to the Custodian or Collector, etc., may not appear to be so in the eyes of the Registering Officer. The Registering Officer should be satisfied that this is a person to whom the Act applies. If there is no declaration under clause 2 (*ii*) he is to take it that he is not a person to whom the Act applies. But what about clause 2(*i*) that he is a man who has left or is leaving? It is impossible for the Registering Officer to determine that he has not left or is not leaving. He will find that a man may have left or may be leaving and so according to clause 2(*i*) his document may be refused to be registered. I think the measure is not discriminatory but may work as a hardship for all classes of people. So the difficulty is not removed.

With regard to clause 2(*ii*) it is open to evasion. The Income-tax Officer or Custodian or Collector will send a declaration containing the list of persons to the Registering Officer of the locality. But a man is not bound to go to a particular Registering Officer. If he has properties in different places he has a choice of registering his document anywhere he likes. A man may have properties in Bengal as well as in Delhi; if he has any difficulty in Delhi he can go to Bengal and get the deed registered there. The Registering Officer of that place will have no declaration positively applying to him; and the person will go scot free in spite of the law. There are various ways of avoiding the registration law. It often happens that a man is at one place and he has no landed property. He may take a lease of some property—a house or a room. The leasehold interest from month to month is also transferable. So the man who is under a ban in Bengal will sell his property in Bengal in Delhi by inserting in the deed his leasehold interest in Delhi. In sub-clause (*i*) the description of the person to whom the Act applies is not quite clear. The Registering Officer would always be free to suspect that the man "leaves" or "has left". There is nothing to prevent him. This will cause considerable hardship throughout India. Though there may not be a declaration against a man, yet he will be suspected of leaving or having left. I submit therefore that the clarification, attempted in clause 2 is not complete or effective. I therefore suggest that this clause requires redrafting. The honourable Minister should at any rate clarify the position, or this clause should be redrafted by his draftsmen.

The Honourable Dr. John Matthai: I appreciate the fear that is in the minds of certain honourable Members regarding the possible way in which this particular section might operate. If the amendment which has been moved is accepted, the effect of it would be, as Pandit Thakur Das Bhargava pointed out, to expand the scope of the Bill to precisely what it was in the original Bill. The whole point of referring this Bill to the Select Committee was that there was widespread apprehension in the House that with the wide scope there was in the original Bill there might be serious abuses and the Select Committee, after a good deal of thought narrowed it down.

Mr. Mohd. Tahir: If the amendment extends the scope of the Bill, will it not benefit Government revenue?

The Honourable Dr. John Matthai: I accept all suggestions that would expand Government revenue. But I would like to balance that consideration against the possibility of public interests of other kinds being jeopardised.

The real point is this. I think this is the minimum scope that the Bill must have if it is to serve the kind of purpose that we have in view. A reference has been made to the possibility of this Bill being operated in such a way as to affect one community more than another. It is just possible it may work in that way. But as Mr. Karimuddin himself pointed out, the mass migrations

[Dr. John Matthai]

which have taken place since partition have followed communal lines. It was inevitable in the circumstances and therefore the problems created by these mass migrations have to some extent also assumed a communal aspect. It is conceivable therefore that cases which may come within the mischief of this Bill might affect one community more than another. It is just possible. But it is my intention and the intention of the Government, that such abuses should be restricted as much as possible and it seems to me—I have given some thought to this—that by executive instructions to the authorities concerned, it is possible to provide that the Bill is made applicable only to those people to whom it is really intended to apply and there is no extension of the scope of the Bill to cases where the recovery of tax is not likely to be prejudicially effected.

Mr. Naziruddin Ahmad pointed out that as sub-clause (*i*) stands now, it would not be possible for the Registering Officer to distinguish between the class of persons intended to be covered and others. The terms in which this class of persons is described in this Bill are terms in which evacuees have been defined in various Acts of the Legislature and this is as precise a definition as we could get. When a person who belongs to the category covered by (*i*) presents his documents for registration, is an evacuee who has left, then registration would be sought on his behalf, and that straightaway gives an indication to the Registering Officer whether the particular person is an evacuee or not. If, however, he is an evacuee who has not actually left but is going to leave a certain amount of difficulty may arise. But it seems to me that we can by administrative measures provide against abuses of the kind which Mr. Naziruddin Ahmad contemplates. If we can instruct District authorities to prepare a list based on careful investigation of people who are likely to leave the country and settle outside, there will be no serious administrative difficulty. It is only with regard to a relatively small number of people that this particular danger may arise and by issuing clear executive instructions that only in those cases where there is clear evidence of intention to leave registration should be refused. If we do that, I think most of the mischief which is apprehended by our honourable friends here who moved it and supported it, will be avoided.

With regard to the class of people covered by sub-clause (*ii*), it is my intention to instruct the authorities concerned that a declaration that this Act applies to them should not be issued except on evidence based on investigation that these are people in whose case the operation of the Act would be justifiable. In any case, there is provision for an appeal—there was no provision for appeal in the original Bill—to the Income-tax Commissioner, and I am going to see that he would exercise every possible care to ensure that abuses of the kind contemplated by some honourable Members do not occur.

I think I have said enough to remove the fears which are present in the minds of honourable Members that this Bill might be operated in a discriminatory manner. That is far from my intention. The only purpose of this Bill is to see that where there are people who have left the country, or who are going to leave the country for settling outside, there is no loss of public revenue. Apart from that there is no object behind this Bill and the working of the Bill will be so regulated that that object and nothing else would be served by it.

Mr. Speaker: I will first put the amendment to the House.

The question is:

"That after part (ii) of clause 2 of the Bill, the following new part be added:

'(iii) who, in the opinion of the District Magistrate, is a citizen of India and wants to transfer his immovable property on any other ground pertaining to public or his private affairs'."

The motion was negatived.

Mr. Speaker: The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Mr. Nazirudd'n Ahmad: Sir, I move:

"That for clause 3 of the Bill, the following be substituted :

'3(1) No document required to be registered under clause (a) or clause (b) or clause (c) or clause (e) of sub-section (1) of section 17 of the Indian Registration Act, 1908 (XVI of 1908) which purports to transfer, assign, limit or extinguish any right, title, or interest in any immovable property, other than agricultural land, shall be registered by the officer appointed under the said Act if the Income-tax Officer of the area where the property is situate has certified that the transferor has failed to pay his taxes or has not made any satisfactory arrangement for the payment of his Income-tax.

(2) The Income tax Officer of each area shall prepare a list of persons who are liable to pay income-tax and to whom the Act applies and who have not paid their income-tax or have not made satisfactory arrangements to pay the same.'"

Mr. Speaker: I would suggest that all the amendments to this clause may be moved together. They practically cover the same ground.

Kazi Syed Karimuddin: Sir, I move:

"That in sub-clause (1) of clause 3 of the Bill,—

(i) parts (a), (b) and (c) be omitted; and

(ii) the following be added at the end :

'such person has or has not paid or has or has not made satisfactory provision for payment of all existing or anticipated liabilities under the Indian Income-tax Act, 1922, the Excess Profits Tax Act, 1940 or the Business Profits Tax Act, 1947.

Explanation : Certification under this sub-section shall be in the form of a list of assessees supplied by the Income-tax Officer to the registering authorities of the area where the property is situate and over which he has jurisdiction.'"

Mr. Mohd. Tahir: Sir, I move:

(i) "That in part (a) of sub clause (1) of clause 3 of the Bill, after the word, brackets and figures '(XXI of 1947)', the words 'and Municipal Acts' be inserted";

(ii) "that part (c) of sub-clause (1) of clause 3 of the Bill be omitted."

Mr. Speaker: I shall now put all the amendments to the House. Both the clause and the amendments thereon are now open to discussion.

Amendments moved:

(1) "That for clause 3 of the Bill, the following be substituted :

'3(1) No document required to be registered under clause (a) or clause (b) or clause (c) or clause (e) of sub-section (1) of section 17 of the Indian Registration Act, 1908 (XVI of 1908) which purports to transfer, assign, limit or extinguish any right, title, or interest in any immovable property, other than agricultural land, shall be registered by the officer appointed under the said Act if the Income-tax Officer of the area where the property is situate has certified that the transferor has failed to pay his taxes or has not made any satisfactory arrangement for the payment of his Income-tax.

[Mr. Speaker]

(2) The Income-tax Officer of each area shall prepare a list of persons who are liable to pay income-tax and to whom the Act applies and who have not paid their income-tax or have not made satisfactory arrangements to pay the same.'"

(2) "That in sub-clause (1) of clause 3 of the Bill,—

(i) parts (a), (b) and (c) be omitted; and

(ii) the following be added at the end:

'such person has or has not paid or has or has not made satisfactory provision for payment of all existing or anticipated liabilities under the Indian Income-tax Act, 1922, the Excess Profits Tax Act, 1940 or the Business Profits Tax Act, 1947.

Explanation: Certification under this sub-section shall be in the form of a list of assessees supplied by the Income-tax Officer to the registering authorities of the area where the property is situate and over which he has jurisdiction.'"

(3) "That in part (a) of sub-clause (1) of clause 3 of the Bill after word, brackets and figures '(XXI of 1947)', the words 'and Municipal Acts' be inserted."

(4) "That part (c) of sub-clause (1) of clause 3 of the Bill be omitted."

Mr. Nasiruddin Ahmad: Sir, the object of my amendment is very simple. In fact the honourable Minister has clarified the situation to a great extent and removed the difficulties to a large extent. My difficulty is with regard to sub-clause (*i*) of clause 2 which remains the same. The Registering Officer will not be in a position to ascertain whether the Act applies to any person within the meaning of clause 2, sub-clause (*i*). Under sub-clause (*ii*) he would have a declaration before him and if there is no declaration he is not to act against the person concerned. But there is no written guarantee or any easy way of finding out so far as registration is concerned that sub-clause (*i*) of clause 2 does not apply, that is in fact he is leaving or has left. There will be no means of ascertaining the reality or genuineness of this condition. My amendment in one word seeks to clarify only one matter, namely that there are two conditions on which the Act is supposed to apply. One is that the person is a defaulter of income-tax and secondly that he is leaving or has left. I want to make refusal of registration under clause 3 conditional upon one condition, namely, that there is a list supplied to the registering officer that the man has failed to pay taxes or that he has failed to make satisfactory arrangement for the payment of his taxes and that the Act applies to him. I want to make the declaration under sub-clause (*ii*) of clause 2 also applicable to him. In fact there should be a declaration on two conditions, namely that the man is a defaulter and has not made satisfactory arrangement for the payment of his taxes and that the Act therefore applies to him; and that he has left or is leaving. If the certificate sent to the Registering Officer mentions both the conditions in one list or declaration then there will be no difficulty. I ask the honourable Minister to clarify the situation. It is only to bring the matter to his notice that I have suggested this amendment. I do not desire to carry it to a vote.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Mr. Deputy Speaker (Shri M. Ananthasayanam Ayyangar.)*]

Kazi Syed Karimuddin: Sir, I am very thankful to the honourable Finance Minister for his assurance. In this amendment which I have moved I have accepted the principle underlying Section 3. My submission is that a person not liable to pay income-tax should not be compelled to produce certificates. If the clause as it stands is accepted then that class of people who are not liable to pay income-tax will be required to produce certificates. A reference to this has been made by Prof. Ranga in his minute of dissent:

"Secondly I suggest that none whose name has not been on the list of Income-tax payees shall be expected to produce such a certificate, until and unless a specific demand to that effect by an income-tax officer. The burden of proving that anyone who has not been an income-tax payee that he may have to pay income-tax for the current year must be placed on the Income-tax Officer."

In this case the presumption will be that he is liable to pay income-tax unless he produced certificates that he is not liable to pay income-tax. Therefore, my submission is that this burden which is placed on a non-assessee is very great and it will also be open to harassment. I accept the principle underlying clause 3 but the form of certification will be as given in the Explanation:

"Certification under this sub-section shall be in the form of a list of assessees supplied by the Income-tax Officer to the registering authorities of the area where the property is situate and over which he has jurisdiction."

My submission is that if this amendment is accepted it would relieve the non-assessee of the burden which is thrown upon him under clause 3.

Mr. Mohd. Tahir: Sir, I should like to say a few words regarding my amendments. I strongly support the amendment moved by my friend Kazi Karimuddin. If his amendment is accepted I think my fear on account of which I had moved an amendment in clause 2 will be satisfactorily met with, because if a list of such assessees is present in the registration office, then any document which is presented for registration can be registered very easily. The registration officer will be able to see whether there is any tax due from the seller or not. It will also be to the satisfaction of the purchaser to know whether any tax with regard to that person is to be paid or not and the purchaser or any body will not make any serious objection and it will be of great help to every individual who wants to have his property transferred.

I would like to submit a few words regarding my first amendment which seeks to insert the words "and Municipal Acts". All dues under the Income-tax Act, the Excess Profits Tax Act and the Business Profits Tax Act are to be realised before the transfer is made. I want also that if a property is sold which situates in a municipal area then because the municipal tax is the first charge on such property therefore this tax should also be realised. I know that the realisation of this tax will not add anything to the purse of the Finance Minister, but still it will be of great help to the Provincial Governments and local bodies and I hope therefore that the Finance Minister will accept the amendment.

My second amendment seeks to omit part (*c*) of sub-clause (*1*) of clause 3. I want its omission because specific provision has already been made as regards the working of the Act. Under this part we are going to give certain discretionary power to the officer concerned and this in my opinion is nothing but an encouragement towards bribery and corruption. Therefore, I do not want that this part of the sub-clause should exist.

Pandit Thakur Das Bhargava: Sir, in regard to these four amendments which have been moved I fear that the real purport of this Act and the method in which the work under this Act should be done has not been properly appreciated. The persons to whom this Act applies are divided into two classes: number one those who leave or have left, and secondly those who are about to leave. In regard to persons who have left or who are leaving clause 2(*i*) applies. In regard to persons of the latter class—who are likely to leave part (*ii*) of the clause applies. In regard to part (*ii*) power has been given to the Custodian of Evacuee Property or the Income-tax Officer or the Collector that they can send a declaration to the registering officer and when that declaration is received the Act shall apply to them, because as a matter of fact these are the three classes of officers who are in touch with those to whom this Act applies.

In regard to part (*i*) this part will apply in the case of persons who have already left. There also they will be included in the list. But apart from the list if it is proved before the registration officer that part (*i*) applies to

[Pandit Thakur Das Bhargava]

a particular person then the Sub-registrar shall not have the right of registering the document unless the conditions are fulfilled and registration will be refused. This is the scheme of the Act.

Now, all these amendments want that the Custodian, the Income-tax Officer and the Collector may not have any power to send a declaration. As a matter of fact by moving these amendments they want to take away the effect of clause 2, whereas clause 2 has already been passed by the House. My humble submission therefore is that these amendments are out of order.

Kazi Syed Karimuddin: My amendment does not contemplate that.

Pandit Thakur Das Bhargava: I am coming to your amendment also. Legally speaking these amendments are out of order inasmuch as we have already passed clause 2.

The method in which this Act shall work is like this. A certificate has to be obtained and the certificate deals with three things. One is that such person is not liable to assessment under the Income-tax Act. My friends want that the words 'not liable to assessment' may be deleted. If a person has not been taxed and if he is liable to be taxed by having a taxable income, then he is liable to be called by the Income-tax Officer and his income is bound to be assessed. They want, a list of persons who have already been taxed so that a list may be sent to the registering officer. The list of persons who are liable to assessment is not present with any Income-tax officer. How can he make such a list? It is out of question. It can be done only in respect of persons who have already been taxed. Part (*a*) refers to cases in which the assessment has not yet been made but who are potential assessees. In respect of them also the law wants that any person who wants to leave the country for the purpose of settling outside may not be allowed to go away unless he pays the taxes which are legitimately due from him. Similarly in regard to (*c*) also the position is the same because I should say that (*c*) is a sort of a clause which safeguards the rights of the Income-tax Department. I do not see how the movers of these amendments, when they are anxious even to enlarge the scope of this Bill, still claim that the certificate may not be on these lines. My honourable friend Mr. Tahir has moved an amendment that even a municipal tax should be included in the category of Income-tax. My humble submission is that if the municipal taxes are also to be tacked on to Income-tax it will constitute a real grievance to the people and it would place a real difficulty in the way of persons who are likely to leave. As a matter of fact the Income-tax Department does not want to do that. After all these sums will be very small and it is fair that we should allow these people to be harassed for non-payment of municipal taxes. As a matter of fact in the original Bill the wording of clause (*c*) was a bit wider, but the Select Committee has corrected it in the manner indicated by these lines and now the position is quite clear. Now (*a*), (*b*) and (*c*) are fool-proof and no person who has any liability to pay taxes can escape without paying those taxes and he has to get a certificate of this nature.

I do not think any sort of difficulty will be involved. It is very easy for a person to go and ask the Income-tax Officer or even the higher officers that the certificate may be given. And after the explanation of the Finance Minister that he wants to give executive instructions to the effect that the list will also be sent to the registering officer, the matter is still further simplified. If any person is aggrieved by not getting the certificate under clause (2), clause 5 of the Bill provides that an appeal can be made and the matter can be set right. I therefore submit that these amendments should be rejected.

The Honourable Dr. John Matthai: I agree with what Pandit Thakur Das Bhargava has said. In reply to the amendments moved by Mr. Naziruddin Ahmad and Mr. Karimuddin I do not think it is necessary for me to say anything in addition to what I have already said with regard to the last amendment. We have two definite categories here. One category is those evacuees who are a definitely ascertainable class because they are defined in terms of a definition which is well understood at present; further, most of them are people who have already left and therefore any application for registration would be made in the absense of the original transferor. With regard to the other class we insist upon a prior notice from certain specific authorities and without that prior notice the registering officer cannot refuse registration. It seems to me that we have made the position as easily workable from the administrative point of view as possible. In addition to that I repeat the assurance that I gave in reply to the original amendment that I am going to see that executive instructions are issued which would eliminate the abuses apprehended by honourable Members. I think that is sufficient reply to three of the amendments which have been moved.

With regard to municipal taxes I do not think it is within the competence of the Central Government to move in this matter. Further, as far as I know, unpaid municipal tax is a charge upon the property and therefore it is not necessary to make a provision of this kind. I am therefore unable to accept any of these amendments

Mr. Naziruddin Ahmad: Sir, I beg leave to withdraw my amendment.

Mr. Deputy Speaker: Has the honourable Member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. Deputy Speaker: Then I will put Mr. Karimuddin's amendment to vote.

The question is:

"That in sub-clause (*1*) of clause 3 of the Bill,—

(*i*) parts (*a*), (*b*) and (*c*) be omitted; and

(*ii*) the following be added at the end :

'such person has or has not paid or has or has not made satisfactory provision for payment of all existing or anticipated liabilities under the Indian Income-tax Act, 1922, the Excess Profits Tax Act, 1940 or the Business Profits Tax Act, 1947.

Explanation ; Certification under this subsection shall be in the form of a list of assessees supplied by the Income-tax Officer to the registering authorities of the area where the property is situate and over which he has jurisdiction.' "

The motion was negatived.

Mr. Deputy Speaker: The question is:

"That in part (a) of sub-clause (1) of clause 3 of the Bill, after the word, brackets and figures '(XXI of 1947)', the words 'and Municipal Acts' be inserted."

The motion was negatived.

Mr. Deputy Speaker: The question is:

"That part (c) of sub-clause (1) of clause 3 of the Bill be omitted."

The motion was negatived.

Mr. Deputy Speaker: The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clauses 4 to 8 were added to the Bill.

Shri L. Krishnaswami Bharathi (Madras: General): Sir, I beg to move:

"That for clause 9 of the Bill, the following be substituted :

'9. *Effect of expiry of Ordinance XXI of 1948.*—The expiry of the Payment of Taxes (Transfer of Property) Ordinance, 1948 (XXI of 1948) shall not affect—

(a) the previous operation of, or anything duly done or suffered under, the said Ordinances; or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under the said Ordinance; or

(c) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation or liability aforesaid;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced as if the said Ordinance had not expired.' "

Sir, this is only a substitution or amplification of Section 6 of the General Clauses Act, in a better form, so that there may not be any difficulty in the actual working of the measure. It is only a re-draft.

Mr. Deputy Speaker: The amendment speaks for itself.

Shri L. Krishnaswami Bharathi: I have submitted a minute of dissent wherein I have stated certain things. I am very glad that the Bill has been restricted to persons specified in the Bill—that was a serious objection we raised on the floor of the House that it applied to a large section of people—and I am very glad to record my sense of appreciation at the honourable Minister agreeing to our view. It is good that it has been restricted. But in the amended form I feel there are certain difficulties which must be cleared up and it is with that object in view that I have brought forward this amendment by way of clarification.

When the Ordinance was in force, cases have occurred where there has been registration of documents either through inadvertence of the registering authority or in collusion with the authority. While I am perfectly agreeable that the Bill should be applied to the restricted classes of persons, I certainly do not want that those who have committed a fraud on the Government by registering the documents and depriving the Government of its just dues, should not have been brought to book. At that time the Act applied to all classes of persons. Sir, there were three cases in Calcutta which have come to the notice of the authorities, where the amount involved is to the tune of Rs. 23 lakhs due from three persons; but they have registered their documents, under what circumstances we do not know. Under clause 3 of the old Ordinance, Government have lodged a protest and the matter is pending. There is no knowing how many such cases have happened, therefore I am anxious that we must provide for such cases where the attention of Government has not been drawn to them. It is only to cover such cases where such irregularities have happened that you must give the necessary power to Government. With that view, I have brought forward this amendment. I tried to ascertain from the Income-Tax Department under what circumstances these three persons have registered the document to the extent of Rs. 23 lakhs. I find, that it is necessary to have this amendment.

The Honourable Dr. John Matthai: Sir, I have consulted my legal advisers on this point and I am advised that the effect of the amendment which has

been moved by Mr. Bharathi is the same as that of the existing Clause 9. What Mr Bharathi's amendment does, as I am advised, is to clarify and amplify the implications of Clause 9 as it stands in the original Bill. Therefore, I accept it.

Shri T. T. Krishnamachari (Madras: General): Sir, I would like to oppose this amendment.

Mr. Deputy Speaker: I shall place it before the House.

Amendment moved: —

"That for clause 9 of the Bill the following be substituted:

'9. *Effect of expiry of Ordinance XXI of 1948.*—The expiry of the Payment of Taxes (Transfer of Property) Ordinance, 1948 (XXI of 1948) shall not affect—

(a) the previous operation of, or anything duly done or suffered under, the said Ordinances; or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under the said Ordinance; or

(c) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation or liability as aforesaid;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced as if the said Ordinance had not expired.'"

The Assembly then adjourned for Lunch, till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

Mr. Speaker. The House was discussing Mr. Bharathi's amendment to clause 9.

The Honourable Dr. John Matthai: I would like to make a statement on that, if I may. When the discussion on Mr. Bharathi's amendment began just before the House adjourned for Lunch, I was asked by the Deputy Speaker to give my reactions to it and I said that as far as I was advised, this amendment would have the same effect as clause 9 in the original Bill. Since then, I have had further discussions and consultations not merely with my advisers but with others also and I am given to understand there is considerable room for doubt on that point. In view of the fact that I indicated my willingness to accept the amendment on the assumption that the meaning of section 6 of the General Clauses Act admitted of no doubt and since I now find that there is considerable room for doubt, I take the view that the best thing for the House to do is to retain clause 9 as it stands in the Bill as reported by the Select Committee.

Mr. Speaker. Does Mr. Bharathi press the amendment?

Shri L. Krishnaswami Bharathi: No, Sir. In view of what the honourable Minister said, I do not press it but if I am permitted to say something. .....

Mr. Speaker: Does he wish to withdraw?

Shri L. Krishnaswami Bharathi: I would like to withdraw, but if I am permitted to speak while withdrawing I would like to say something, because the honourable Minister.....

Mr. Speaker: No explanations.

Shri L. Krishnaswami Bharathi: May I submit that the honourable Minister accepted or expressed his willingness to accept.....

Mr. Speaker: The honourable Minister has explained the whole position and I think in cases of doubt as to interpretations, it is better to go by the considered opinion of the Draftsmen. The honourable Member wishes to

[Mr. Speaker]

have leave of the House to withdraw his amendment. Has he the leave to withdraw?

The amendment was, by leave of the Assembly, withdrawn.

Mr. Speaker: The question is

"That clause 9 stand part of the Bill."

The motion was adopted.

Clause 9 was added to the Bill.

Clause 1 was added to the Bill.

Mr. Mohd. Tahir: Sir, I beg to move:

"That in the Preamble to the Bill, before the word 'property' the word 'immovable' be inserted."

The properties are of two kinds, namely, movable and immovable. This Bill is mainly directed towards the transfer of immovable property. I want to submit that the Preamble is that part of the Bill in the light of which the whole Bill is drafted and adopted, so that the sense of the Bill should be in the Preamble itself. In view of this, I think it is right of the Preamble itself to include the word "immovable" so that the true sense of the Bill is maintained in the Preamble. With these words, I hope the amendment will be accepted.

Mr. Speaker: Amendment moved:

"That in the Preamble to the Bill, before the word 'property' the word 'immovable' be inserted."

The Honourable Dr. John Matthai: I do not accept it, Sir, because all the clauses of the Registration Act referred to here cover documents which pertain entirely to unmovable property. So it seems to be quite unnecessary.

Mr. Speaker: Does the honourable Member press the amendment?

Mr. Mohd. Tahir: No, Sir.

Mr. Speaker: The honourable Member wishes to have leave of the House to withdraw his amendment. Has he the leave to withdraw.

The amendment was, by leave of the Assembly, withdrawn.

Mr. Speaker: The question is

"That the Title and the Preamble stand part of the Bill."

The motion was adopted.

The Title and the Preamble were added to the Bill.

The Honourable Dr. John Matthai: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Speaker: Motion moved:

"That the Bill, as amended, be passed."

Shri L. Krishnaswami Bharathi: Mr. Speaker, Sir, while I do attach great importance to what I stated, I certainly am not going to press my amendment, but I feel that I owe it to the House.....

Mr. Speaker: Order, order. That will be again taking an opportunity of speaking on an amendment which has been withdrawn. Really speaking, the scope of the Third Reading debate is limited to amendments made by the

House. This cannot be taken again as an opportunity for explaining what I did not allow the honourable Member to explain. If he has any other thing, he may speak.

Shri L. Krishnaswami Bharathi: Very well, Sir. There is one point which I would like to bring to your kind attention. I am in a peculiarly difficult position. When the honourable Minister expressed his willingness to accept the amendment.....

Mr. Speaker: Order, order. I am putting the proposition to the vote now.

Shri L. Krishnaswami Bharathi: Sir, I will say something on the general aspect.

Mr. Speaker: No, no.

The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

PUBLIC COMPANIES (LIMITATION OF DIVIDENDS) BILL

The Honourable Dr. John Matthai (Minister of Finance): Sir, I beg to move:

"That the Bill to limit the dividends which may be paid by public companies, as reported by the Select Committee, be taken into consideration."

Sir, this is an absolutely unanimous report by the Select Committee. Only two changes have been made. One is with regard to the duration of the Act. The original Bill limited the duration of the Act to 31st December 1950. The Select Committee has reported that it should be 31st March 1950. The idea is that before the expiry of the year ending 31st March 1950, there should be a review of the working of this Act and if it is found that there has been during this period an improvement in regard to the inflationary conditions in the country, then there would be no question of extending the duration of the Act. I give an assurance to the House that if the position is easier next year so that it is not necessary to have an anti-inflationary measure of this kind, Government would have no intention of extending the duration of the Act.

The other point with regard to which a change has been made by the Select Committee is the position of public companies which come within the scope of section 23A(1) of the Income-tax Act. The provision in section 23(a)(1) of the Income-tax Act which obliges private companies to distribute not less than 60 per cent of the profit, applies also to public companies, in which the public are not substantially interested. It was, therefore found, since private companies were left out of the scope of the Bill, on the same ground it is necessary to leave out public companies to which section 23 A(1) of the Income-tax Act applies.

The Select Committee has made a suggestion in paragraph 4 of the Report, that if there are any profits which may be undistributed while this particular Bill is in operation, they should be put into a separate fund so that the surplus in excess of the limit prescribed by this Bill, is made available for distribution after the expiry of the Act. It was not possible in the opinion of the Select Committee to give statutory form to this suggestion. I accept the principle suggested by the Select Committee and I would like to make an appeal to the managements of companies to whom this Bill would apply, that a provision should be made on these lines.

[Dr. John Matthai]

Mr. T. A. Ramalingam Chettiar has given notice of an amendment; I have had discussions with him and I think I have satisfied him that it is unnecessary to move this particular amendment. The problem that worries him is, if within the period specified in the Bill, namely the 1st April 1946 to the 31st March, 1948, only one dividend has been declared in respect of a period of one year, would that be taken as the average limit for the purposes of this Act and determine the limit of dividend? That, of course, is the inevitable consequence of clause 5 of the Bill, that is to say, the amount distributed as dividend is to be divided by the period to which that distribution applies. If you apply that principle, inevitably it follows that there is only one dividend declared in respect of one year, that is the limit to which the dividend should be subject in respect of that company. So I would ask my honourable friend, Mr. Ramalingam Chettiar not to press his amendment and I shall see that necessary instructions are given. Sir, I move.

Mr. Speaker: Motion moved:

"That the Bill to limit the dividends which may be paid by public companies, as reported by the Select Committee, be taken into consideration."

Srijut Kuladhar Chaliha (Assam: General): Sir, I do not understand why this Bill has been brought forward and it is perhaps for the fact that the Finance Ministry wants to get the satisfaction that they had something to do that will stop inflation in the country and they want to have the pleasant feeling of showing to the world that they are going to do something which will come as a surprise. On the contrary, I find that this measure will not stop inflation, but will create great hardship on the middle-class shareholders. It is really intended to harm the people who by their austerity and their abstinence built up small industries such as the Tea Estates in Jalpaiguri, the Tea Estates in Assam and other places in Bengal. In Jalpaiguri, I find the Tea Estate is run by two or three lawyers with a capital of Rs. 30,000. It is a public company. Barbers, shop-keepers, pan-wallas and bidi-wallas all subscribe and they entirely depend on the dividends and if 6 per cent is allowed on such incomes, probably they will have to starve. What they used to do in Jalpaiguri was in the first instance they started the concern with a capital of Rs. 30,000. After planting about one hundred acres, they go to the banks and borrow another Rs. 50,000 and after repaying that they again borrow another Rs. 50,000. But the real capital is shown as Rs. 30,000 but the actual capital invested is much more, perhaps 5 times more than the original capital. They purchase machinery which cost them another Rs. 50,000, but they show the *ordinary* capital as Rs. 30,000 and they declare a dividend of 400 or 500 per cent. I feel, therefore, that the small lawyers, brief-less lawyers and these poor middle-class men will be hard hit by this measure. What is the sum invested in the public companies? It is about 450 crores out of this Companies with a capital of 100 crores have been started after 1942 and they are possibly not paying any dividend at all and about 350 crores give a dividend of about 24 or 25 crores. If 6 per cent. dividend is allowed to be distributed it will leave only 4 or 5 crores. Government by trying to get this 4 or 5 crores are actually depriving the poorer classes who entirely depend on their income in the shape of dividends which accrue on shares. I believe Calcutta, parts of West Bengal, Assam and other places and South India also will be affected by this measure. I find from a statement made by Mr. Narayanaswami that in Scindia Steam Navigation Company there are about 500 share-holders who have subscribed for less than 50 to 100 shares and even in the Bombay companies, the share-holders are worse off. (*Shri T. T. Krishnamachari*: 'They won't get any dividend.') So it seems that you are depriving the people who want the money most, and whose income ranges between Rs. 1,000 to Rs. 5,000. The prices are going high and these people have limited incomes and so far the

prices have not been brought down. The money is going to be left with the agents or banks. If the money is with the managing agents we know what they will do with it. If you want to stop inflation, then that money should not come into the market. On the other hand, this money will flow into the market in investments and inflation will go on. I cannot support on any ground whatever a Bill of this nature. I should think we should oppose it. Why it has been brought in at all in order to hit hard the middle and poorclasses of people I do not know. I oppose the Bill. I hope Dr. Matthai will see that this is withdrawn. If this is not possible, if the Ministry stands on prestige and dignity then I think the amendment of honourable Member Mr. Naziruddin Ahmad to substitute the words and figures '30th day of April, 1949' for the words and figures "31st day of March, 1950" should be carried. That should satisfy the dignity of the Ministry and they should feel flattered that they have been able to get the Act extended to 30th April 1949. If they do not want it so extended, they should withdraw it. If they do not want to withdraw it, I would ask the House to support the face saving device contained in the amendment of Mr. Naziruddin Ahmad. I trust Dr. Matthai will accede to this request and do well to the middle and poor classes of the country. Alternatively he should withdraw this Bill which is unjust and unfair.

Kazi Syed Karimuddin (C.P. and Berar: Muslim): Mr. Speaker, I welcome the introduction of this Bill and its consideration. The object of it, according to me, is laudable. I do not agree at all with the reasoning of the previous speaker that the Bill should be condemned. The principle underlying the Bill is that the rich should not become richer, and the poor, poorer. My complaint against this Bill is that, according to its provisions, the period for which it will be in force is very short. The honourable the Finance Minister, in his opening speech, has given no reasons as to why the period has been limited. In the first part of the report, the Select Committee has stated that the views of the representatives of the Exchanges were heard, but we do not know what their views were. We do not know also why the Select Committee agreed to the curtailment of the period of its operation.

Another thing is that in Part I of the Report, the Select Committee says:

"We have anxiously considered whether the amount which, but for this Bill would have been distributed to share-holders of companies as dividend should not be segregated in a special fund, both as a safeguard against its being frittered away and also for the purpose of preserving it for ultimate disbursement to the share-holders."

And the Select Committee has expressed the hope:

"that those in charge of the direction of the affairs of the companies would realise their responsibility in this matter and give effect to the suggestion we have made above in the fullest possible measure."

Will they listen to their advice? I do not think. There should have been some provision by which a legal direction could have been prescribed that the funds which exceed the payment of dividends to the extent of 6 per cent. should either be kept in the concern for the expansion of the industry or should go to the National Government for starting some industries or to the shareholders. A mere expression of hope and faith in the directors will not do. I remember a couplet:

'Ham ko un se wafa ki hai ummid.
Jo nahin jante wafa kya hai'.

We expect faithfulness and fidelity from those who do not know what fidelity and faithfulness are. We, on the recommendation of the Select Committee, are going to trust those who live for profit and who die for profit. The directors in the charge of the companies cannot be trusted. Therefore this expression of hope in the report is nothing but an eye-wash. It is only to console the shareholders that their money will not be taken away. Therefore

[Kazi Syed Karimuddin]

I appeal to the honourable Minister to introduce a legal provision to keep that money intact either for expansion or to be taken away for the National Government for the creation of a new industry or to be kept in the name of the shareholders to be utilised for some other purpose.

My other objection to this Bill is the provision in clause 11. It says:

"The Central Government may, by order, exempt any company or class of companies from all or any of the provisions of this Act, or make any modification in the application of the said provisions to any company or class of companies."

I have no objection to a National Government possessing this power. But I expect even from this Central Government that they should embody in the Act itself the grounds on which they would exercise this arbitrary power. Under the existing provision they could suspend the application of this Bill in favour of any concern. The House must see to it that the grounds on which this action could be taken by the Central Government are stated in the Bill itself or in the rules. The exercise of this sort of arbitrary power would open the door to favouritism and there may be cases in which justice will not be done to all the shareholders or companies. Therefore my submission is that this Bill has been re-drafted by the Select Committee in a very half-hearted manner. The Bill should be amended in the way I have suggested.

Shri M. Ananthasayanam Ayyangar (Madras: General): I would say only a few words. Between the date when the Bill was introduced, and today, there has been a rapid change in the economic condition of the country that one wonders whether after all this Bill is at all necessary in the circumstances now prevailing. I have before me a note prepared by the Economic Adviser to the Government of India. He finds that there are definite deflationary symptoms on account of these:

(1) The growing tightness of the money market;

(2) the growing stagnation in the investment market;

(3) the accumulation of stocks in the textile, sugar pharmaceutical and other industries;

(4) the growing unemployment as indicated in the recent reports from the Labour Commissioner.

The prices no doubt are high and they are, if we read the cartoons of Shankar, only 5 points high. But I am sure high prices will go on. Wages and travelling allowances have been high and continue to be high. It will be impossible to reduce the wages and the artificially increased high wage level will continue, as also the high prices for sometime more. After some time the prices will have to come down. Therefore the question will be whether, in the circumstances now prevailing in the money market and the in-coming deflation and slump, public undertakings will not have to be started and more money pumped into the country for relieving unemployment. In this situation it was very wise on the part of the Select Committee and of the honourable Minister to rightly restrict the scope and effect of this Bill to one year only. In one year many things may happen. No doubt a number of witnesses appeared before the Select Committee and gave very valuable evidence. Then, the capital will include the bonus shares; the minimum rate of interest may be increased from 6 to 7½ per cent.; whatever is saved over and above six per cent. may be invested so as to avoid its being thrown into the market and increasing inflation. The main point is that the profits that are earned which may be of the tune of 12½ crores over a capital of 300 crores, that amount would go by way of dividends to the

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shareholders. But, a large portion is taken away by the managing agent. There is no provision here insisting that the managing agent should not put that money into the market. Therefore, the object of this Bill is partly met by trying to restrict the dividends; it is not wholly met. After all, the entire quantum of dividends may not be more than four crores even according to the Finance Minister. In these circumstances, not plugging all the wholes, the Bill may not be very satisfactory or useful.

About the middle class people, the tabular statement which was circulated amongst us showing the percentage of shares held by all the classes of people, shows that more than 75 per cent of the shares are held by middle class people who make a living out of the dividends earned. Widows, orphans, minors, trust, charitable endowments and institutions have invested money in these shares. In these circumstances, we considered very deeply whether there was a need for prolonging it by some modification or to curtail the Bill as it is to one year. Ultimately we found that limiting it to one year will be useful, without the power of extending it to another year though it may be for one year in the first instance. Judging from the evidence that we had, with an economic slump staring in the face, we thought that even that power may not be necessary. I am sure that honourable the Finance Minister with his ability, and skill, will watch a thousand times the tendencies that are already in the market and in the country and not continue this Bill unless it is absolutely necessary beyond one year. As it is, the Bill would not seriously affect; the money is not going to be taken away from the companies or from the industries. It is only a saving in the interests of the shareholders themselves. They can put up with a temporary suspension for a period of one year. I welcome the report of the Select Committee and I support the motion for consideration.

Shri T. T. Krishnamachari: Mr. Speaker, Sir, I am afraid I am one of those who always have a grouse against the honourable the Finance Minister for not having taken all the steps possible, all the steps that he is aware of, to counter inflation in this country. But, after having heard my honourable friends today, I am afraid, I must entirely withdraw from that position. Because, I have seen the enormous difficulties the honourable the Finance Minister has to face even in respect of such an innocuous measure like the one that is before the House.

Sir, one of the main objects of my rising to speak on this motion is that unconsidered statements by very responsible legislators are often likely to do a lot of harm. I am afraid that a wholesale sweeping condemnation of this measure, whose value is largely psychological, is not likely to help the Government in meeting the forces that are anti-social and hinder the economic progress of this country. To begin with, I would like to assure my friend from Assam, Mr. Kuladhar Chaliha, that the Bill is not quite so bad as he thinks it is, for the reason that the middle class investor is not likely to lose a very large portion of his dividends if he has been receiving a fairly high dividend during the last two years. The last two years have been the peak years; in fact, the year before last was the peak year and the subsequent year was not quite so good; we have in this Bill struck the average of the two years. The middle class investor is ensured that if the company was making a profit, if the management wants to declare a liberal dividend, then, he will get the average of those two years, one being the peak year and the other which is slightly less so. To complain that this is a Bill which strikes at the meagre resources of the middle class investors in this country will not therefore be true. Of course, it is true: the other day when I was rummaging my papers, I had a whole basket full of papers relating to objections to this

[Shri T. T. Krishnamachari]

Dividend Limitation Bill, which I know, was just a pure and simple exaggeration by the vested interests who felt that the psychological effect that this Bill was creating in the market is great and bad to be countered not because of any real factual adverse influence on the market.

There have been some criticism against the limitation of the operation of this Bill to one year. Of course, the honourable the Finance Minister is quite competent to reply to this criticism; but as a non-official, I would like to state this. This question of dividend limitation raises a number of problems. In fact, in regard to private companies, in regard to certain public companies of a semi private character in its holdings, the Income-tax authorities insist on a very large percentage of the profits to be distributed so that the ultimate holders of the shares cannot take shelter under the limited taxation demands made on them by way of Income-tax and Corporation tax and evade payment of Super-tax. If this particular measure is going to be made applicable for a long time to come, the Government will at once be faced with another problem, namely, what is to happen to the undistributed portion of the profits on which the Government will not get its legitimate taxes. My honourable friend Mr. Ayyangar mentioned that there is a possibility of 12½ crores being distributed as dividends, and all of it will probably go into the hands of the shareholders. It would not. Actually the Government claims some portion of it by the imposition of Super-tax. The man who gets a dividend gets exemption, undoubtedly, in so far as Income-tax is concerned; but he is not exempted so far as Super-tax is concerned. If he pays super-tax by reason of the fact that the dividend is pooled with his other income, the Government get a portion of that money that is paid by way of dividends. Therefore, you cannot make this Bill applicable for all time to come without providing for some means by which the Government will take its own share of the undistributed portion of the profits. Any dividend limitation will ultimately result in reducing a portion of the Government revenue and therefore, this matter will have to be investigated at great length even from the Government point of view.

Secondly, as my honourable friend Mr. Ananthasayanam Ayyangar said, deflationary signs are there; but I am afraid the deflationary signs are there in a peculiar manner. They only affect certain types of our economic activity. The incomes of many people are still rising; the prices are rising; whereas the money market shows signs of deflation. I have no doubt that the honourable the Finance Minister will take due note of the position. I do not think that deflationary signs could be induced, or have been induced or will be induced by a dividend limitation measure of this nature, which is really innocuous and which does not really affect a large portion of the money paid as dividends. As I said before I have taken the statistics of several companies from the Investors Year Book and pooled the two years income to see what the average will be. I found that in most cases, there may not be any appreciable diminution of the dividend if the average determines the amount of the dividend paid. The other factor is, limitation of dividends in regard to new companies is the most healthy thing that is possible in such cases. I wish there is a statute similar to what we have provided in the Banking Companies Act, namely that new companies must build up reserves, and until the time they build up certain reserves, they cannot declare more than six per cent dividend. This is a factor which goes to ensure that the dividend earner will get a steady dividend because reserves are built up and the solvency of his holding will depend largely on the stability of the company and its large reserves. I think in so far as this particular measure operates against the new companies declaring any dividend over six per cent, it is a very salutary measure. I feel I can assure

my honourable friend from Assam that the effect of it is largely psychological and is not real, and that the number of people that are likely to be put to harassment are very few and to a very small extent. It would not reduce perceptibly the income of those people who have shares in the tea estates if they have been receiving an appreciably good dividend the last year and the year before last. This cry of this measure affecting the middle class people, which is quite a powerful cry, which appears to be used by the vested interests, ought to be countered and nipped in the bud by responsible people in this House rather than this should be allowed to go on without being contradicted. That is the main reason for my interference in this debate. I would like, as a person who is not always on the Government side, but one who is quite willing to criticise the Government if need be, to assure my friends here in this House and the people outside that this Bill is not affecting the middle classes to any appreciable extent,—it would have only a very infinitesimal effect,—and secondly, that in so far as limitation of dividends of new companies is concerned, that is going to build up healthy reserves. Lastly, this question of having a measure of this nature as a permanent measure for a long time has got to be considered. In fact in the United Kingdom there is a dividend limitation operating, not by means of statutory pressure but by means of the moral pressure of Government. Of course it has now come to a stage whether it is worth while exerting that pressure. People are thinking on those lines, but actually in the United Kingdom dividend limitation is in operation. There is an understanding between the Treasury and the bigger companies and these firms have voluntarily limited their own dividends. But again as I said this will raise the question of what is going to happen to the Government share of taxation that is due on the undistributed portion of the profits of companies, on which there is an enormous amount of literature in the market. These considerations make me feel bold to be able to assure this House and the people outside that this measure need not be considered as anything disastrous, that I am sure Government and the Finance Minister will examine the whole position within the time that is at their disposal, and by the time this Bill lapses a year hence they will either produce a more reasonable measure safeguarding the revenues of Government, safeguarding the interests of middle class investors and affording encouragement to new investors, if it is necessary for them to produce a measure at all. I am sure opposition to this is uninformed and one which a responsible House like this should cast aside without much hesitation. Sir, I support the motion before the House.

Mr. Nasiruddin Ahmad (West Bengal: General): Sir, from a perusal of the debates at various times and the changes of opinion that have taken place in a short time in the House I find we are fighting with a shadow. In fact the slogan has been that we must fight inflation. Now what is inflation I do not understand. Inflation is a kind of ghost which the House thinks, must be killed. It reminds me of the story of a woman whose house was haunted by a ghost and who was told that the ghost would come at midnight she could kill it by beating it with an old broom. Now it so happened that her husband who was abroad, returned at midnight. He wanted to give her a pleasant surprise and returned at midnight and was entering the house with stealthy footsteps, but was beaten with the broom by his wife who mistook him for the ghost. In this case we want to kill the capitalists like the ghost. But somehow you cannot touch them and they slip through your fingers. You cannot get hold of the big tax-dodgers. There are persons whose cases are subject to inquiry by the income-tax investigation Commission. Somehow there was and is a feeling here that they will escape or you will effect a compromise with them. I do not wish to go far in this direction but why are we sacrificing principles? Somehow or other we are not sticking to high moral principles. I submit that in trying to kill

[Mr. Naziruddin Ahmad]

inflation and the capitalists we are killing the middle classes. I do not object to your killing the middle classes, killing the market and making the money market absolutely dry, except that is all one-sided punishment. According to the honourable Minister, the middle classes form 90 per cent. of the shareholders. If it is necessary in the interests of the country to take away a large part of their income these should not be the only persons who should suffer because every man must contribute towards killing inflation. I submit that on the same principle the salaries of Government servants and of Ministers, the allowances of Members, and the pay and allowances of all wage-earners in logic, must also be subject to a corresponding deduction. This one-sided deduction of income of middle class shareholders is extremely discriminatory. In fact it will kill the class of people who have paid money in expectation of some reasonable return and they are the only persons who are being victimised for their folly. A distinguished economist member of the House like Mr. Krishnamachari has, perhaps, in an unguarded moment stressed the fact that the shareholders have received very high dividends in the last two years. That is only an apparent state of affairs. There are many companies who have given during these peak periods 30, 40 or 50 per cent. and in one or two cases even 100 per cent. dividends. But he does not apparently realise the fact that it is not 30 or 50 per cent. on the investment of the present shareholders. These successful companies were started long ago. You are calculating dividend at 30, 40 or 100 per cent. at the issue prices. But does the House realise that these shares are freely bought and sold? They are bought on the basis of 5 per cent. or 4 per cent. income, and so people who have bought them get only 5 per cent. or 4 per cent. and in some cases only 3 per cent. on their investment. So in order to limit the dividend to a fixed standard, you are trying to prejudicially affect these very people and you are going to reduce their income much below 5 or 3 per cent. I submit that the whole scheme was based upon a misconception that you are punishing the capitalists. The misconception is no doubt gradually fading away but it is not completely gone; like the shadow of the ghost it still haunts the House. My honourable friend Mr. Chaliha can, I believe, read thoughts. I had given notice of an amendment to limit the operation of the Bill to April 1949 and he has rightly estimated my mind, namely. I think that there is the question of prestige of the Government; Government are out to kill the ghost; something must be done, though not very effectively. I believe I gave Government a convenient escape by which they could maintain their prestige and at the same time relieve the shareholders by 30th April 1949. I submit the whole question should be considered from a true angle as it is now beginning to be. The Honourable the Deputy-Speaker the other day and today made it clear that our policy is not doing any good. In fact it is not merely drying the capital market. The capital market is gone; there is an unfounded but widespread belief that the capitalists are somehow or other creating a scare, that there is enough money to go round and the people are not coming forward out of a mischievous motive. I submit that is not a fact. The capital is supplied by a large section of the middle classes from their small savings; the capitalists supply only a small part of the capital though they realise large profits from the public. They make large profits but you cannot touch their profits or the incomes of the managing agents. They take money in various ways but you cannot touch them. Then why strike the middle classes alone? Nothing will be gained by making them lose their income. Their confidence in the market is gone. If your industrial policy is to succeed money must flow from these people to industries, and for that you must allow them their income. I find that Government is now driven to go to the foreign market. That is the inevitable punishment. In fact your home market has gone dry and that is why you are driven to the foreign markets. I submit that instead of proceeding on false

assumptions it is better to drop the Bill, and I show the honourable Minister a way out. He has no doubt considerably changed his opinion; the House has also changed its opinion. I admit the Bill is a great improvement on the past and a little more is needed to make it inapplicable after 1949. We have not yet made an expert study of the exact position of the market as to how it is reacting to our policy. We are proceeding on false assumptions of course much has been done and the little that remains will be done by accepting my amendment.

The Honourable Shri Satyanarayan Sinha (Minister of State): Sir, I move:

"That the question be now put."

Mr. Speaker: The question is:

"That the question be now put."

The motion was adopted.

The Honourable Dr. John Matthai: All the considerations that have been put forward in the course of this discussion were before the Select Committee, which represented every section of economic opinion in the House, and as I observed in my opening remarks, this is an unanimous report. This was the basis on which we were able to reconcile the differences of opinion among the different sections represented in the Select Committee and I think, Sir, that there is no better basis on which we can put forward the Bill for final acceptance of the House.

Shri Upendranath Barman (West Bengal: General): What will be the fate of the undistributed dividends after this Act expires a year hence? Will it attach to the respective shares so that the purchaser of shares will be entitled to the undistributed part of the dividend?

The Honourable Dr. John Matthai: It is very difficult for me to give a definite reply to that query, but the best that we can do in that matter is this. The Select Committee has made a suggestion, and I have endorsed the suggestion, that the management of companies to whom this Act applies, must make every effort to put the undistributed portion of the profits into a separate fund which will be available for distribution to the holders of shares on the expiry of the Act. We cannot go beyond that.

Mr. Speaker: The question is:

"That the Bill to limit the dividends which may be paid by public companies, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. Speaker: Does the honourable Mr. Ramalingam Chettiar wish to move any of his amendments: if so I could put them all together?

Shri T. A. Ramalingam Chettiar (Madras: General): I do not intend to move them in view of the reference made by the Finance Minister but I would like to say a few words when we come to the clauses.

Mr. Speaker: Instead of putting the clauses separately to which he has tabled amendments, if he does not choose to put any of those amendments, I may as well put all the clauses.

Shri T. A. Ramalingam Chettiar: In that case I will make a statement and if the honourable Minister says he will issue proper instructions, I will not move any one of them.

Mr. Speaker: So I shall put clause 2 first.

The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Shri T. A. Ramalingam Chettiar: So far as the Bill is concerned, I think it is a very safe and equitable arrangement that has been made, namely, payment of 6 per cent. to new companies and the average of two years' dividend to the older companies. But in drafting the clauses they have not been very careful in bringing out exactly what they meant.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Mr. Deputy Speaker (Shri M. Ananthasayanam Ayyangar.)*]

They have provided the average of two years. They have given the period as 1st April 1946 to 31st March 1948. What has happened is that several companies gave their dividends in March 1946 and the next dividend was given in May 1947 and the third dividend in May 1948. I have got a list of 20 to 25 companies in the Madras province who have done so, because they feared that after the Budget of 1947 there may be very drastic changes in the taxation proposals and they did not want to take the risk of giving dividends before actually knowing what tax they would have to pay on those dividends. That was the reason why there was this difference in the dates of payments of dividends.

According to the statement made by the honourable Minister this morning, he is not anxious to take the average of two years. All that he wants is that within the period mentioned, if a dividend was declared, the period for which it was declared would be taken into consideration and that would be the average. I am quite satisfied with the arrangement that he proposes. I would have preferred that my first amendment to clause 3 was accepted. It says: "if dividend for only one year has been paid from the 1st day of April 1946 to the 31st day of March 1948, the dividend so declared and paid" shall be taken as the average. But the honourable Minister thinks that it need not be entered in the clause itself, and he has made a statement that his object is to work it in that way, and so he will send instructions to the officers concerned to work it in that way. I am quite satisfied with the statement but I was only anxious that in case next year he is going to extend this Act for a third year, probably then this sort of understanding may not be enough. That was my anxiety. In any case, if the matter comes up before the House again, he will make this quite clear.

As regards the statement made by some honourable members that the managing agents are left out in this Bill, I will only tell them that the Managing Agents are paying -/15/6 on the top slab and they will be paying -/14/- annas hereafter. So they are paying in the shape of income-tax and super-tax but not in the shape of Corporation tax under this Bill. So I will request the honourable the Finance Minister to send out instructions and also issue a communique that the intention is that whenever there was only one payment made within the period mentioned in the Bill, that dividend shall be taken as the average. I know some of the Auditors have taken a different view and some of the Income-tax officers have also taken that view. I pointed out to them 5(b) which I thought covered the case, but they were not satisfied. So I will ask the honourable the Finance Minister to issue a communique to the effect, that what he intended was this and nothing more.

With these words, I submit, that I will not move the amendments that stand in my name. The other amendments only put the dates either before or after, to meet the case if he wanted the average of two years should be taken. When the single dividend paid is taken as the average, there is no necessity for the other amendments.

The Honourable Dr. John Matthai: There is no difference of opinion between Mr. Chettiar and myself. I will see that the position is made absolutely clear.

Mr. Deputy Speaker: I shall put all the clauses together.

The question is:

"That clauses 3 to 13 stand part of the Bill."

The motion was adopted.

Clauses 3 to 13 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Dr. John Matthai: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Deputy Speaker: Motion moved:

"That the Bill, as amended, be passed."

Srijut Rohini Kumar Chaudhuri (Assam: General): Sir, I rise to support this Bill. A great deal has been said by my friend Mr. Chaliha about barbers, briefless lawyers and panwalas. I might say at once that if there is any briefless barrister who is affected by the provisions of this Bill you may rest assure that he is either a capitalist himself or his son is a capitalist. If there is any barber who is affected by the provisions of this Bill I would warn honourable Members to take good care before they placed themselves under his razor. He is a man who has taken to the profession for ulterior motives and the moment you give your neck to him he may use his razor the wrong way. If there is any panwala who is affected you may rest assure that he is not a panwala. but a prince in disguise. He has started the shop for selling pan not for any gain but to attract a certain class of customers and distribute his pan freely to them. That may be his only objective. On the other hand I see a very good advantage in this Bill. It enables the public limited companies which are always prone to be miserly in the matter of wages to labourers might be persuaded, since they cannot get larger dividends, to pay their labourers their due. Once they pay their labourers in a particular way those wages will remain for sometime. This is an advantage to the labourers.

Now and then when you go to collect subscriptions it is very difficult to collect them from the big industrialists. unless you take a few income-tax officers with you to help you in the matter. Or if you go to a village to collect some subscriptions you may not succeed unless you take a daroga with you or some Minister. Otherwise it would be very difficult to collect subscriptions. When the industrialists know that they will not get so much dividends they will try to earn something for their future life or the next world by paying more liberal subscriptions and thus save their souls. All those objections. after all. will be meaningless in view of the provisions laid down under section 11. In extreme cases as mentioned by my honourable friends, who are looking askance at the Bill, Government can always be trusted to make suitable exemptions.

With these words, Sir, I support the Bill.

Mr. Deputy Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

MERCHANT SHIPPING LAWS (EXTENSION TO ACCEDING STATES AND AMENDMENT) BILL

The Honourable Shri K. C. Neogy (Minister of Commerce): Sir, I move:

"That the Bill to amend the Merchant Shipping Act, 1894, and to provide for the extension of the laws in force in the Provinces of India relating to merchant shipping to Acceding States and for certain other matters, be taken into consideration."

As indicated in the motion itself, the principal object of this measure is to extend the operation of the Indian Merchant Shipping Laws to the Acceding States. These laws had no application in the Acceding States prior to the promulgation of an ordinance sometime ago, under which some features of the merchant shipping laws were sought to be enforced in these States. That ordinance is about to expire and the principal object of this measure is to substitute this Bill in place of the expiring Ordinance. There are two other small points which have incidentally been covered by this Bill, to which I will refer later.

If honourable Members would turn to the text of the Bill they would find clauses 2 and 3, which go together in a sense, seek to extend the merchant shipping Acts of the British statute to the acceding States. Clause 4 again seeks to extend the statutes of the Indian legislature to these States. Now as matters stand we have no comprehensive law of our own on this subject and we have to depend upon the British statute for some very important provisions and whatever Indian laws have been passed are merely complementary in character. I admit that this is a very unsatisfactory state of things and I can tell the House that we have already appointed a special officer in the Ministry of Commerce to undertake a comprehensive revision of the whole law, so as to enable a self-contained legislation to be passed by the Indian legislature itself, which would do away with the necessity of our having to depend upon the British statute for certain purposes. I would therefore beg the House to remember that this is in the nature of a transitional measure and I hope they will not be too critical of certain features which find mention in this Bill and to which certain amendments have been proposed.

Coming to the two other points which I mentioned earlier, the first one relates to the performance of consular duties under the merchant shipping Acts and the British statute. So long as we had no consular officers of our own or even trade commissioners functioning at different ports of the world, the duties assigned to the consular officers under the British statute had to be performed with reference to Indian shipping by those officers. As we are gradually having our officers posted to the important ports of the world we propose, gradually again, to take over these duties ourselves.

The next point relates to the principle of national colours for the merchant navy. At the moment under the British shipping law what is called the Red Ensign, which is enforced in the case of the British merchant navy, has to be flown by the Indian ships as well. But we have seen to it that they do fly the Indian national flag along with it...

Shri R. K. Sidhva (C. P. and Berar: General): Not in all cases.

The Honourable Shri K. C. Neogy: In most cases. It is merchant shipping that I am talking to you about. We have not yet devised the national colours that we will be prescribing for our navy. As a matter of fact this has been the subject of discussion between the different authorities concerned. We have not merely to prescribe a distinctive flag for the merchant navy but also in course of time for the Indian Navy itself. I might remind the House that in the case

of the United Kingdom and the other Commonwealth countries the merchant navy is to fly a distinctive national flag. It is not exactly the national flag but an adaptation of it. In the case of the United Kingdom the Union Jack which is the national flag of the United Kingdom, appears at the left top quarter on a red flag. The flag is threequarters red and on the top left-hand corner or quarter, as it is called, appears the Union Jack. That is the Red Ensign. This has been prescribed for the merchant navy of the United Kingdom. Likewise the other Dominions have prescribed specific national colours for their merchant navy. In our case it is under consideration whether we should not, following the example of the United Kingdom, prescribe a special national colour in which perhaps the National Flag will find a place at the corner of the flag as in the case of the British Red Ensign. But then this will have to take a little time because different authorities have to be consulted and we have not yet decided upon the exact form of the national colours that will have to be prescribed.

Sir, these are the provisions of this Bill and I hope that the amendments of which notices have been given by some of my honourable friends will not be moved because some of them I am afraid have been given notice of under some amount of misapprehension. Sir, I move.

Mr. Deputy Speaker: Motion moved:

"That the Bill to amend the Merchant Shipping Act, 1894, and to provide for the extension of the laws in force in the Provinces of India relating to merchant shipping to Acceding States and for certain other matters, be taken into consideration."

Shri R. K. Sidhva: Sir, I rise of course to support the provisions of this Bill. But I am not satisfied with the statement made by the honourable Minister while moving the Bill that in relation to our Act as well as in relation to our flag it will take some time, according to him. He said that an officer has been appointed to review the whole Shipping Act so as to bring it in conformity with the present conditions. It is now eighteen months that we have attained freedom. We are proud of our own navy—the Indian Navy as also the merchant navy—and we are very proud to see our own flag flying on these ships. In fact eighteen months has been too long a period for the Government for consideration and coming to a decision in this matter. Last year when this question was raised by means of an interpellation it was stated that "within a very short time" the decision will be taken. Today also no definite answer has been given to us. On the contrary the honourable Minister states it will still take long time. I do not understand why for the purpose of finding out a suitable flag for our Navy and also for our merchant navy there should be so much time lost. The honourable Minister gave us a description of the British Navy flag. It is a simple flag. Similarly within a very short time we could have decided on our flag and I see no reason whatever why there should be so much delay in this matter. Our flag should have been prescribed long long ago. We do not want to see the foreign flags flying when those ships come into our harbours. Without any kind of provision in the Act or any kind of regulation, under the ordinary Act when foreign ships come into our harbours they should hoist our own National Flag. That is the rule, but that is not strictly followed by all the foreign shipping companies. I have seen this in Bombay. Some foreign ships do hoist our flag no sooner than they came into our harbours, but others still fly the Union Jack. I hope the honourable Minister will pay attention to this matter which is rather serious and urgent and see that our flag is considered and prescribed very soon and the necessary enactment is made so that we may be proud of seeing our flag flying on all our ships.

Secondly as far as the Act is concerned of course he says that the whole Act is under revision and I do not therefore want to say anything further. As

[Shri R. K. Sidhva]

far as the other provisions are concerned it is merely under the existing conditions that certain amendments are sought to be made. But I do hope that that Act will also be expedited and that in the next session our own Act will be presented to this House. Only with regard to the flag I take really strong exception. As regards the Act I can understand that some time may be required although it is overdue, and if attention had been paid to it the Act also could have been presented to the House long ago. But as I have already said I do not mind that very much as I do in regard to the flag. I hope this matter will be borne in mind and the honourable Minister will see that our own flag is devised soon so that it may be hoisted on all the ships. I also feel that he should issue instructions to see that until our flag comes into existence our National Flag must be hoisted on all the ships—particularly foreign ships—when they come into our harbours. It is one of the conditions under the Shipping Act that whenever a ship comes into a harbour it must hoist the flag which belongs to that country. All along when any steamers belonging to any foreign country came they used to hoist the Union Jack flag. But now some of the shipping agents still continue to fly the Union Jack and ignore our flag though I do admit that some of the companies do fly our flag. Without any kind of standing or regular instructions or rule it seems to me they do not strictly follow the requirement under the Shipping Act which they should. Therefore there must be a rule or an Act that the violation of this provision is an offence and there should be penalty for it.

Sir, with these remarks I support the provisions of the Bill.

श्री लक्ष्मीनारायण साहू : उप वाचस्पतिजी मैं वाणिज्य मंत्री के इस बिल का समर्थन करता हूं। परन्तु समर्थन करते हुए भी मैं दो चार बातें उन की दृष्टि में लाने के लिये उनसे अनुरोध करता हूं। वाणिज्य मंत्री ने पहिले ही अपने भाषण में समझा दिया कि हम लोगों को कुछ समय लगेगा कि हम अपने जल पोतों में किसी तरह की पताका रख सकें। यह ठीक है। लेकिन मैं इतना ही कहना चाहता हूं कि जैसा आनरेबिल मिस्टर सिधवा ने कहा कि जब हम लोग सावरेन बाडी बन गये हैं और १८ महीने बीत गये हैं तब हमको क्या डर लगता है कि यह काम जल्दी नहीं करते। हम अभी भी, आज, इसी वक्त से, क्यों जो हम लोगों का झंडा है उस झन्डें को पोत पर न उड़ावें? ऐसा हो सकता है कि किस तरह का झंडा वहां उड़ाने की जरूरत है उस को हम सोच विचार कर करें। लेकिन जब एक राष्ट्रीय झंडा हम लोगों का है तो उसी को हम अभी क्यों नहीं लगाते। उसी को लगा देने से जब सब जहाज समुद पर उस झंडे को लेकर चलेंगे तो सब को मालूम हो जायेगा कि यह देश स्वतन्त्रता पा चुका है और सब को, जो हिन्दुस्तान के रहने वाले हैं, इस से आनन्द भी होगा। इसी लिये मैं उन के ध्यान में यह लाना चाहता हूं कि जितनी जल्दी हो सके यह पताका हम लोगों को उड़ाने का प्रबन्ध कर दें।

एक बात, मैं यह इस बिल मे नहीं समझता कि यहां क्लाज ३ में सबक्लाज (iii) क्यों रखा जाय कि

'(iii) at the end of section 1, the following explanation shall be added namely :—

Explanation—The expression "British subjects" shall be deemed to include the Ruler and subjects of any of the Acceding states and the expression "Her Majesty's dominions" add "dominions" shall be deemed to include all Acceding states.'

मेरी समझ में नहीं आता है कि इस को हटा देने से क्या खराबी हो जाती है। इस एक्सप्लेनेशन की क्या ज़रूरत है ? इस को रखने से ऐसा मालूम होता है कि हम लोग अभी तक आज़ादी नहीं पाये हैं और हम लोग जो कहते हैं कि स्वतन्त्रता पाये हैं वह झूठी स्वतन्त्रता है, सच्ची नहीं है। इसका क्या सबब है कि हम इस को रखें ? समझ लीजिये कि हम इसको हटा दें, तो हटा देने से उस का क्या रिपरकशन होगा यह वाणिज्य मंत्री से मैं जानना चाहता हूं।

एक छोटी चीज़ और है। यह क्लाज ५ में है : "Performance of consular duties under the Merchant Shipping Acts, 1894 to 1938."

उसमें पांचवी लाइन पर जो 'मे' है उस शब्द को मैं 'शैल' करना चाहता हूं, तो 'शैल' करने से ऐसा होगा :

"Where under the Merchant Shipping Acts, 1894 to 1938, as they extend to and operate as part of the law of India, anything is required or authorised to be done by, to or before British consular officer at any place outside India such thing shall (*not may be*) done in that place by, to or before such other officer as the Central Government may, by notification in the official Gazette, specify in this behalf."

इस में वाणिज्य मंत्री जी को क्या आपत्ति है यह मैं जानना चाहता हूं।

इस के सिवा मैं और कुछ नहीं कहना चाहता हूं। यह अच्छी चीज़ है और इस को ग्रहण करना चाहिये।

(*English translation of the above speech*).

Shri Lakshminarayan Sahu (Orissa: General): Sir, I support the Bill moved by the honourable the Minister for Commerce. But while supporting this Bill I insist upon bringing to his kind notice a few facts. The honourable the Minister for Commerce has already mentioned in his speech that it would take us some time to have some sort of flag on our ships. This is right. But I wish to submit only so much that, as honourable Member Shri Sidhva has said, when we have become a soverign body and some 18 months have elapsed why do we feel afraid that we do not accomplish this work at the earliest. Why should not we fly our own flag on our ships from now, from today from this very moment? It is possible that we may consider over the problem as to what kind of flag needs be flown there. But when we have our National Flag now why we do not fly that flag? When our ships will sail over all the

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oceans and seas with our flag flying it would be known to all that this country has attained independence, and all of us, who are the inhabilitants of India, will also be highly pleased. Therefore I wish to bring this fact to his notice that he should at the earliest make such arrangements whereby our flag could be flown over our ships.

I do not understand one point in this Bill why the sub-clause (iii) of clause 3 which runs as follows be retained:

'at the end of section 1, the following explanation shall be added, namely :

'Explanation—The expression "British Subjects" shall be deemed to include the Ruler and Subjects of any of the Acceding States and the expression "Her Majesty's dominions" and "dominions" shall be deemed to include all Acceding States."'

I do not understand what harm comes to pass by its deletion. What is the necessity of this explanation? By retaining this explanation it appears that we have not yet attained independence and the thing that the people call independence is not a real one but an illusory one. What is the reason of our retaining it? Suppose we delete this then I would like to know from the honourable Minister what repercussions would be created by this action?

There is one small thing more, and that occurs in clause 5: "Performance of consular duties under the Merchant Shipping Acts, 1894 to 1938." I wish to change the word "May" occuring in line 5 with the word "shall", then by making this change from "May" to "Shall" the clause will run as follows:

"Where under the merchant shipping Acts 1894 to 1938, as they extend to and operate as part of the law of India, anything is required or authorised to be done by, to or before a British Consular Officer at any place outside India, such thing shall (*not may*) be done in that place by, to or before such officer as the Central Government, may, by notification in the official Gazette, specify in this behalf."

I wish to know what objection the honourable Minister has in this?

Except this I do not want to submit anything. This is a good suggestion and should be accepted.

The Honourable Shri K. C. Neogy: Sir, my honourable friend Mr. Sidhva has expressed his dissatisfaction at the time that has been taken in the mutter of the revision of the law, apart from the question of the national colours for the Merchant Navy. So far as the Merchant Shipping Law is concerned, let me assure my honourable friend that it is a very, very complicated law. We have to look into international law, into the British laws on the subject, as also into our own laws—not one, several different pieces of legislation passed by the Central Legislature from time to time—in order to produce a comprehensive enactment. As a matter of fact, the officer concerned has been at work for some time and I am told that we may have to wait for about a year more before we can expect to get the first draft from him in this regard.

As regards the colours, as I have already told the House, pending our formal prescription of a flag for the Merchant Navy, the National Flag is being flown side by side with the Red Ensign of the United Kingdom. So far as the Indian ships are concerned, there is no question about it, there is no exception to this rule; they are definitely carrying our National Flag wherever they are going. But then we have to prescribe by law certain

colours in order to be able to enforce this particular rule on everybody concerned. That is the object with which one of the clauses has been put into this Bill.

Shri R. K. Sidhva: The question is of delay.

The Honourable Shri K. C. Neogy: Well, yes. This again, as I said, depends on so many other factors. For instance, I said that our own fighting Navy has to be consulted. As a matter of fact, they are taking a little time and whatever we do should be done comprehensively. What would be the colours for the Defence Navy and what would be the colours for the Merchant Navy?

As regards the point raised by my honourable friend Mr. Lakshminarayan Sahu that the explanation proposed in clause 3 does not appear to him to be absolutely essential, as I have already said, we should not be too critical in judging this measure. I know how distasteful it is to find ourselves described as British subjects still for certain purposes, but the fact remains that the Merchant Shipping Law with regard to very many important aspects is still to be had from the British Statute so far as India is concerned, and in the British Act it is a British subject that has to be the owner of a British ship and the ships that now ply even under the Indian Register are technically, for the purpose of the British Merchant Shipping Act, British ships. Therefore, we have to ring the Rulers and subjects of the acceding States within the description of "British subjects" for this limited purpose and we have to suffer this till our own comprehensive law is passed by this Legislature.

That is all that I need say. I may assure the House that because our technical advisers in the Law Ministry have advised us that this is the only correct way of going about the business, I had to accept the particular amendment to which exception has been taken by my honourable friend.

श्री लक्ष्मी नारायण साहू: मैं यह जानना चाहता हूं कि जो एक्सप्लेनेशन है उस को हटा देने से क्या आपत्ति होती है ।

Shri Lakshminarayan Sahu: May I know what would be the harm if this explanation is omitted?

The Honourable Shri K. C. Neogy: You may remove the explanation from this Bill, but so far as the present Indian ships are concerned, they are still being governed by the provisions of the Merchant Shipping Act which contains the substantive provision which is now sought to be reproduced here in a less objectionable form in the amended manner indicated in the explanation here. I wanted to tell you about the amendment itself. As a matter of fact, the wording of the original section 1 of Merchant Shipping Act (British Statute) of 1894 was different. It is by the British Nationality Act that some of the wording has been removed from that particular clause. The British statute as it stood before the date of our independence applied as it stood then. Any subsequent amendment undertaken by Parliament has no operation so far as this country is concerned. We have therefore sought to amend the particular provision in this section 1, which is relevant to this issue, and the amendment that we have sought to make is really to the British Statute in order to bring it into line with the form in which that provision now stands in the British Statute as a result of the Brtish Nationality Act of 1948, which has no application to this country having been passed after the date of our independence. As a matter of fact, if my honourable friend were to compare the wording, he would find that there is a considerable difference in the position.

[Shri K. C. Neogy]

The other point which he has referred to is as regards the Consular officers. If my honourable friend's suggestion were to be accepted, I am afraid the Government of India would have to appoint a Consular officer at every port. We are not in a position to do so. Therefore, the matter has to be left in an elastic fashion that as and when it becomes possible for us to appoint Consular officers, or say even Trade Commissioners who might be authorised to act as Consular officers under our own Act or under even the British Act, as and when it becomes possible for us to appoint these officers we will be entrusting them with the Consular duties. Till then we have to depend upon the British Consular officers. That is the possition. I don't think I need say anything more.

Shri Lakshminarayan Sahu: Still I want to know what objection is there if we remove the Explanation.

The Honourable Shri K. C. Neogy: If we remove the Explanation, you are merely adopting a law in respect of the States of India which will be different from the law which operates in the Provinces of India. That is the first point. The second point is, I am assured that if you remove the Explanation, then the law will be defective.

4 P. M.

Mr. Deputy Speaker: It may not apply to the Acceding States at all. The object may be frustrated.

The Honourable Shri K. C. Neogy: It is intended that the law should govern the rulers and the subjects and the companies incorporated in the States and that can be done only if we have the Explanation.

Prof. Shibban Lal Saksena (U. P.: General): Can we not see to it that our own Bill is ready within six months?

The Honourable Shri K. C. Neogy: I can give my honourable friend the assurance that I will do my best to expedite it, but I am in the hands of experts.

Mr. Deputy Speaker: The question is:

"That the Bill to amend the Merchant Shipping Act, 1894, and to provide for the extension of the laws in force in the Provinces of India relating to merchant shipping to Acceding States and for certain other matters, be taken into cconsideration."

The motion was adopted.

Mr. Deputy Speaker: We shall now take the Bill clause by clause.

Clauses 2, 3 and 4 were added to the Bill.

Shri S. V. Krishnamoorthy Rao (Mysore State): Sir, I beg to move:

"That in clause 5 of the Bill, before the words 'such other officer', occurring in line 5 the words 'an Indian Consular Officer or' be inserted."

Para 3 of the Statement of Objects and Reasons says:

"With the attainment of India's new political status, it is desirable that Indian shipping should fly distinctive national colours, and that consular functions under the Merchant Shipping Acts formerly performed by British consular officers should, as far as possible, be performed by Indian consular officers."

So the very words 'Indian consular officers' have been omitted in the clause. I hope this will be accepted.

The Honourable Shri K. C. Neogy: It may be, as I said, that we will appoint an Indian consular officer, or we may be appointing some other

officer for instance, a Trade Commissioner. I do not suppose it has improved the wording in any way. It is not necessary, but if my honourable friend insists upon it, it is a different matter. It is not at all necessary.

Shri S. V. Krishnamoorthy Rao: The very object of the Bill is to see that Indian consular officers perform these duties, or where Indian consular officers are not available, they may be performed by other officers authorised for the purpose. That is the purpose of my amendment. I only want to add "Indian consular officer". It should be acceptable to the honourable Minister.

Mr. Deputy Speaker: I hope the honourable Minister has no objection.

The Honourable Shri K. C. Neogy: I have no objection, but I do not consider it as an improvement.

Mr. Deputy Speaker: If he accepts, that will be some satisfaction. The question is:

"That in clause 5 of the Bill, before the words 'such other officer', occurring in line 5, the words 'an Indian Consular Officer or' be inserted."

The motion was adopted.

Mr. Deputy Speaker: The question is:

"That clause 5, as amended, stand part of the Bill."

The motion was adopted.

Clause 5, as amended, was added to the Bill.

Pandit Thakur Das Bhargava (East Punjab: General): Sir, I beg to move:

"That in sub-clause (1) of clause 6 of the Bill, the words 'what shall be' occurring in line two, be omitted."

This is a verbal amendment. I consider these words to be absolutely unnecessary. Nothing will be lost by their omission and the whole object of the sub-clause will remain as it is and the Central Government shall by notification be able to do what this sub-clause seeks to do in that case too.

The Honourable Shri K. C. Neogy: I am advised by my technical advisers that the form in which it stands is the proper form.

Pandit Thakur Das Bhargava: I do not press it.

Mr. Deputy Speaker: I shall put 6 and 7 together.

The question is.

"That clauses 6 and 7 stand part of the Bill."

The motion was adopted.

Clauses 6 and 7 were added to the Bill.

Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Shri K. C. Neogy: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Deputy Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

The Honourable Shri Mohan Lal Saksena (Minister of State for Relief and Rehabilitation): Sir, I beg to move:

"That the Bill to control the admission into, and regulate the movements in, India of persons from Pakistan, be taken into consideration."

In making this motion, I take it that I need not take much time of the House. Honourable Members are aware that the permit system had been introduced some time in July because of the one-way traffic from W. Pakistan. More than a lakh of evacuees who had gone from India have come back to India and in view of our policy that those persons who had not left India and remain here—*e.g.* they have gone from East Pakistan to U. P.—are entitled to get back their property and to be reinstated, and in view of the fact that it was not possible to give effect to that policy, we had to introduce this permit system. We represented to the Pakistan Government that this one way traffic should be stopped and we must arrive at some arrangement by which as many persons as come here, the same number, may be allowed to go there, but it was not possible and therefore the permit system had to be introduced. Since the introduction of the permit system, although we have been able to check this influx inasmuch as the permanent permits have been reduced, yet we know that during the last eight or nine months at least about 40,000 persons have come to India and out of this number, about 8,000 have come on permanent basis and the rest have come on temporary basis.

Therefore, it is necessary in the interests of the rehabilitation of displaced persons that this permit-system should continue, and I hope the House will endorse the Bill that I am putting before it. Notice has been given of a number of amendments of which one or two I am prepared to agree to as they are more or less verbal amendments. As regards the others. I have already had a talk with the honourable movers of those amendments and I hope they will not move them. With these words, Sir, I move.

Mr. Deputy Speaker: Motion moved:

"That the Bill to control the admission into, and regulate the movements in, India of persons from Pakistan, be taken into consideration."

Shri R. K. Sidhva (C. P. and Berar: General): Sir, I can quite recognize the difficulty of the Government to see that the influx of undesirable persons do not infiltrate into our country from the foreign country and from that point of view, this Bill is certainly desirable. But the permit-system has brought about a great deal of hardship to *bona fide* persons who have to go from this country to the other and *vice versa* for *bona fide* business. As far as Western Pakistan is concerned it is more or less a communal State. In the whole of Pakistan hardly 2 lakhs of Sindhis live in Western Pakistan. For those two lakhs of Sindhis, apart from business, for marriage purposes and for other ceremonies and funerals, I know of instances when permits could not be had within a short period, 'immediately' I should say rather. On such occasions the permit system should be available within a moment's notice, but the system is so defective both at this end and on the other end that permits for ordinary purposes cannot be obtained at least for one fortnight. I know of instances where people had to stand in queue at the offices of the Permit Officer; they have to wait for a number of days to get the

permits and I know of cases where it has taken two months. I therefore desire that this permit system should be overhauled and Government should devise means by which *bona fide* persons may go without unusual delay.

As far as Eastern Pakistan is concerned, we know very well that the Bengalees both of the Western and Eastern Pakistan have common interests, and they have to go from one territory to the other. I am glad there is no permit system, but this Act is applicable to the whole of India and it may be applied at any time; I am glad it is not now and Government will see that unless a greater necessity arises, this permit-system should not be introduced. As I stated, I quite appreciate what the honourable Minister has stated that 40,000 people have come away. We do want to check that undesirable persons should not come in with a particular sinister motive and bad object. However, Sir, I feel that our Government have been proclaiming that they want to keep good relations with Pakistan. I want to know with this permit-system and the customs cordon, how are you going to have cordial relations? That surpasses my comprehension. You are having so many conferences, and of course, I do not want to go into the details of the question, but what about the properties of evacuees, crores of rupees that have been left by them? Unless those things are settled amicably by both the Dominions, the cordial relations of which we have been talking so long and of which they have been talking so long, is not going to fructify. I, therefore, desire, Sir and I myself wish that the relationship should be cordial, but if the relations are to be cordial on paper only, then it is a different matter and with all these restrictions that exist today, I think the time is too far off for cordiality. In reality, if you are merely saying that for purposes of propaganda, you may say so and that is a different matter.

With the suggestion about the improvement of this permit-system, I support the Bill and I hope that the honourable Minister will kindly bear in mind all these matters. I have also brought to his notice some of the instances where considerable delays have taken place, which Government themselves admit. In Bombay the Police Commissioner had to be approached for certain purposes and in a *bona fide* case in spite of the fact that he is an Indian subject, when he had to go for the disposal of his property to Pakistan, the permit was not very easily available. These are my grievances and I hope the Government will bear then in mind.

Shri Arun Chandra Guha (West Bengal: General): Sir, while giving my support to this Bill, I would like to point out something, particularly from the point of view of West Bengal and East Bengal. I agree that the Government of India should have some power to control the entry of people particularly from West Pakistan into India; but this permit-system has not been introduced so far as East Bengal and West Bengal are concerned; and as yet both these provinces though belonging to two different states are practically one economic unit. I can say that culturally also they form one unit. In the last Budget debate both the Finance Minister and the Minister for Commerce have admitted the necessity of having closer relations between the two states or the two Dominions; and the honourable Commerce Minister has even gone so far as to suggest having a Customs Union. I feel that both the Governments should move in such a way that there should be closer union, a customs union, a defence union and such sorts of things. For the time being, whatever powers may be necessary for the Government of India, I hope this system will not be introduced as far as the entry from East Bengal is concerned and it has not been enforced so far in West Bengal. I know there have been certain cases of *bona fide* people coming to India for

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bona fide purpose and still they had to face certain handicaps and difficulties in getting the permits even though some have business matters to settle. I hope the Government of India will give proper directions that this permit-system may be used in such a way as to help these men if they really intend to bring about a closer union between the two States. With these few words, Sir, I commend this Bill for acceptance.

Mr. K. T. M. Ahmed Ibrahim (Madras: Muslim): Mr. Deputy Speaker, Sir, though the object of the Bill is stated to be to control the admission into and regulate the movements in India of persons from Pakistan, clause 3 of the Bill definitely points out that the provisions of the Bill will affect even citizens of this country even persons domiciled in India in this connection, I would like to say a few words. There have been some persons who went to Pakistan not with the intention of settling down there, but for some temporary stay there in connection with their business or to see friends or relatives or for other similar purposes, and when after their object is fulfilled, they desire to return to their homes they are faced with many difficulties. First of all, Sir, they find it difficult to get any sort of permit, as has been pointed out by my honourable friend, Mr. Sidhva, with the result that some of them would be satisfied if even a temporary permit is granted, not knowing the implications thereof; when they are told that they can get temporary permits easily, they at once apply for the temporary permits and come here. But when they reach their homes, they are told that unless they return within the period stated in the permits, they would be arrested and there are instances where people have been arrested in pursuance of the conditions of the temporary permit virtually for their having returned to their hearth and home. There are ever so many such cases and such persons are still kept in jails. In this connection Sir, even the Provincial Government has not the power to alter the terms of the permit even though they are satisfied that the person concerned belongs to India and has his permanent abode in India and has no intention of going to Pakistan, nor had he any intention to permanently settle there when he went there originally. Only recently, the Central Government has empowered the Provincial Governments to extend the period of stay for twenty days. Before that even this power, the Provincial Government had not.

Therefore I would request the Government that, in framing the rules under clause 4, they should see that persons who go to Pakistan or who have gone to Pakistan, not with the intention of settling down there but for *bona fide* business or other purposes, are not prevented from returning home. In this connection I would also like to urge on the Government that the cases of persons who have returned home on temporary permits should be favourably considered and on proper applications from them such temoprary permits should be converted into permanent permits to enable them to continue to remain in their respective villages. As things stand at present, these temporary permit holders have to go to Pakistan before the expiry of the period mentioned in their permits and they find it impossible to apply for permits again without undergoing all the expenses and the trouble of returning to Pakistan. There are many such cases in my own province. In this matter when we approached the Provincial Government, they said that they have no discretion in the matter and that their hands are tied. Therefore I would urge upon the Government that in framing rules they should take into consideration all these difficulties and provide for such cases.

Another thing is that there are Indian citizens owning business in Pakistan and they have to go there in connection with their business. They did not know that the relationship between the two Dominions would be strained so soon. Some of them established business in Pakistan long before Partition took place; they have now to go there to supervise their business,

To tell them when they ask for temporary permits that they shall not return to India is very unjust and unfair. I know that very prominent persons have been told that if they went to Pakistan they would not be allowed to return. There are also persons whose sons or daughters or other relations are in Pakistan and they naturally desire to go there to see their ailing relations. They are told that they are free to go, but will not be allowed to return home. It is but meet and proper that such treatment should not be accorded to them. The rules should be framed in such a way that citizens on *bona fide* business or for other necessary purposes should be allowed to go there and return home without difficulty. This is a matter which I would urge upon the Government for its consideration. I hope that in view of the hardships that have been caused to the people, they would consider this matter seriously and favourably.

Another matter is that some persons are still kept in jail for the contravention of the rules regarding temporary permits; i.e., they did not go back to Pakistan within the period stipulated. Their cases also should be favourably considered. They are citizens of this country. They went there for temporary stay and when they desired to return here they were told that they could get only temporary permits. Now they are told that they must go back to Pakistan but they are not willing to go there. Their cases also deserve serious and favourable consideration.

Pandit Thakur Das Bhargava (East Punjab: General): Sir, I listened to this debate with mixed feelings. When my friend Mr. Sidhva and my friends on the right made complaints on behalf of persons who have obtained permits, I listened with sympathy. But then can I forget why this Ordinance was issued by the Government and why we are replacing that Ordinance with this Bill? Lakhs of people from Western Pakistan tried to come to India, though the agreement between the Governments was that Muslims from Western Pakistan would not come back to the Punjab, etc. Now it is said that about a lakh of persons have come from Pakistan and that they have occupied lands in the Punjab. The agreement was that so far as the Punjab was concerned, the Muslims of the Punjab were to go away to Pakistan and Hindus and Sikhs were to come to India. In defiance and violation of that agreement about a lakh of people came and occupied lands in Gurgaon district. People are apt to forget these facts before they criticise the policy of the Government. It was all a one-way traffic. Our Government has been always trying to have the best relations with Pakistan. But what has Pakistan done? Those who criticise this Government should at least look at Pakistan. It is all right for them to ask for this or that facility for people of Pakistan. But let them see the position of people who have to go to Pakistan to sell their lands. They cannot enter Pakistan. I do not know much of the conditions in Eastern Pakistan. You must consult the feelings (in regard to this Bill and the Ordinance) of a Punjabee who is practically ruined and who wants to go to Pakistan and have a look at his own property and sell it according to the agreement. But none is allowed to enter there. If any person gathers up enough courage to go there and does not return within 15 days he will find himself in jail. These are the conditions there. I have the same feelings as Mr. Sidhva that both Pakistan and India should have very good relations. But it is all one-way traffic again. We want good relations with them; but do they want it? That is the simple question. When the relations between our two countries become better, there will be no need for the permit system and for customs barriers. But so long as our nationals are not allowed to go there, I submit that we should welcome this Bill and make it more strict. It is possible that spies may be coming from Pakistan and, noting certain things here, go back and report to his country. That is productive of mischief. We must face the realities. What do we find in the Bill?

Shri R. K. Sidhva: Nobody opposed the Bill.

Pandit Thakur Das Bhargava: I appreciate it. But I humbly request my friends to go to Pakistan and preach to Pakistan this noble feelings. We will certainly reciprocate all the good things they do to us. But, to ask us to do this thing and that and not ask them to do likewise, is again one-way traffic. We wish all prosperity to Pakistan. I do not grudge them that. I submit that this Bill is very apposite and we welcome it. But, the Bill is not sufficiently strict and sufficiently circumspect. After all, according to the provisions of the Criminal Procedure Code, section 54, every police officer has got a right to arrest a person when a cognisable offence is committed. But, under this Bill, when a cognisable offence is committed, a person below the rank of a Sub-Inspector will not be able to arrest the person. I do not see why we should make this difference so far as the ordinary law of the land is concerned. I can understand your making a law much more strict than the ordinary law of the land; but, where is the occasion for giving this concession. When you find that a stranger has come to the village, and it appears that the circumstances are suspicious, it is the ordinary duty of every village head man to get hold of that person and report to the police, whereas under this Act, there is no such provision.

Mr. K. T. M. Ahmed Ibrahim: Cannot a stranger be from any other province of India?

Pandit Thakur Das Bhargava: So far as India is concerned, we know that under the Constitution we have passed a law that all Indians are at liberty to go to any part of India and there can be no question of that. We are now concerned with persons who come from Pakistan, who are foreigners to us now. Either recognise them as foreigners or do not recognise them. If they are not foreigners to you, you may admit them into your homes. But as long as they are foreigners, I want to treat them as foreigners and not in any other manner. My submission is that there should be some provision whereby those persons when they come to India and surrepticiously reach their village, the village head man may be enjoined to inform the police so that the police may arrest those people. Otherwise, supposing a person comes, where will he go? Usually, so far as the Punjab is concerned, he will go either to Ambala District or Gurgaon District, occupy his old lands, etc., and then say, I am here since one year. This has been the position. They say, we never went there, we are here. After all, when all is said and done, the lands which the Muslims left here have to be distributed among the refugees; if you allow all this land again to be taken by these people, then, I submit, that this will not be just. People come to Delhi. What for do they come? Those that have gone have not got much of affection for India. They want to come, get hold of their lands, houses, etc., dispose of their lands and houses so far as the law allows them. I have no complaint against that if the Government allows that according to agreement. At the same time, they should not take advantage surreptiociously. Therefore, with a view to effect the necessary improvements, I have given notice of some amendments to see that the law which is now sought to be enacted is brought into line with the ordinary law of the land and I hope the honourable Minister will kindly look into the amendments and accept such of them as he thinks are good.

Mr. Deputy Speaker: Mr. Barman.

Srijut Rohini Kumar Chaudhuri (Assam: General): Sir, there are barriers which prevent me from catching your eye.

Mr. Deputy Speaker: The honourable Members is visible even through the fan. I have called Mr. Barman.

Shri Upendranath Barman (West Bengal: General): Sir, so far as Western Pakistan is concerned, my honourable friend Pandit Bhargava has stressed the need for such a legislation there. So far as Eastern Pakistan and West Bengal are concerned, I have this objection. Is this law to be passed and operated throughout India or is it going to be operated part by part?

An Honourable Member: It does not apply to you at all.

Shri Upendranath Barman: My point is, so far as the Eastern Pakistan is concerned, we want some time so that we can adjust our relations. The condition of things is such; the boundry is most unscientific; it is extremely difficult to guard the frontiers. At the same time the people of East and West Bengal have to pass to each other's territory I think for evey necessity of life. As it is said that it is going to be operated part by part, I have no serious objection for a legislation like this, provided that it is not applied now to Eastern Pakistan until and unless Eastern Pakistan applies such laws against us.

The Honourable Shri Mohan Lal Saksena: Sir at the very outset. I may say that so far as India is concerned, we have introduced the permit system with great reluctance. We tried to persuade the Pakistan Government to create conditions in Western Pakistan so that the traffic may be a two way one; failing that, we have introduced this. I should like to inform the House, that although Mr. Ibrahim has spoken, I would ask him to cite a single instance in which a person who has gone out on a temporary permit has not been allowed to come back and his property declared as evacuee property. On the other hand, we have such cases in Pakistan. One Dr. Mirchandani who was running a nursing home, came here on account of the death of a near relation. He came on a temporary permit basis; he had applied for extension to the Pakistan High Commissioner. All the same, his nursing home was declared as evacuee property and allotted to Dr. Querishi, who was condemned by the Punjab High Court and sentenced to death. It has been suggested that this Bill is intended to prevent spies from coming. So far as we are concerned I am sure, the Defence Ministry and the Home Ministry are quite strong enough to make arrangements with regard to that. The purpose of my Bill is simple. The entry of these persons interfers with our rehabilitation plans. Our Government has declared that in the case of those muslims who had not left India, who had gone to other parts of India, we are going to give back their properties. That makes all the difference. That is not so in Pakistan. When we felt that the trickle was small and it did not disturb our plans for rehabilitation, we did not objeot to that. Later when we found that the influx was growing, we have had to introduce this system.

Mr. Sidhva has pointed out that there have been difficulties. Yes; there are bound to be difficulties. I think so far as he is concerned, he has to obtain permits not from the Government of India, but from the Pakistan High Commissioner here. He might have experienced difficulties. When be brought any case to our notice, we wrote to the Pakistan High Commissioner or the Pakistan Government. So far as we are concerned, we have tried to facilitate the return of those persons who had gone before the introduction of the permit system on business, after ascertaining and satisfying ourselves that they had not actually left India, but had gone on business. The honourable Members may see that so far at least 8,000 persons have been allowed to come back on a permanent permit. These are cases of those persons who

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had not gone with a view to settle there, but on a temporary visit and therefore, they were allowed to come back and get back their property. Similarly, in the case of marriage, illness of near relations in Pakistan, we freely give them permits and there is no danger of their not being allowed to come back, because, we are insisting on their taking a certificate from the District Magistrate and on the basis of that, we allow them to return. The object of the Bill is not to prevent Muslims from coming if they come here and do not disturb with our rehabilitation plans. But, that is not possible. You know we have been trying our best to persuade the Pakistan Government to agree to exchange of agricultural property on a Governmental basis. We have been trying to persuade them to exchange urban property on a Governmental basis, up to a certain value. So far, our efforts have been in vain. I am fully conscious of the fact referred to by Mr. Sidhva that in spite of our efforts in other directions to improve the relations between India and Pakistan, there is bound to be a great deal of bitterness and ill-feeling between the nationals of the two countries so long as the property question is not settled to the satisfaction of both sides.

I may assure the House once again that the object of the Bill is not to create difficulties so far as the nationals of India are concerned, Muslims or non-Muslims. If the Muslims want to go to Pakistan for some temporary work, they are freely given permits; there is no difficulty in their returning. But in regard to those who had gone to Pakistan with a view to settle there, and whose property has been declared evacuee property, we certainly object to their coming back and claiming the property because that is going to disturb our rehabilitation plans. With these words, I commend the motion to the House.

Mr. Deputy Speaker: The question is:

"That the Bill to control the admission into, and regulate the movements in, India of persons from Pakistan, be taken into consideration."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Pandit Thakur Das Bhargava: Sir, on clause 4 I gave notice of an amendment of which I will move only the latter part namely:

"That after part (c) of clauses of the following new part (d) be inserted:

'(d) making it obligatory upon the village headman, village accountant, village watchman, village police officer, or any other public servant or person belonging to any special class to forthwith communicate to the nearest Magistrate or the Officer in charge of the nearest police station, whichever is the nearer, of the entry, movement or presence of any person who contravenes section 3 or any provisions of any rule made under this section'."

The Honourable Shri Mohan Lal Saksena: This is not necessary; it can be done under rules made under this clause.

Pandit Thakur Das Bhargava: Then I will not move it.

Mr. Deputy Speaker: The question is:

"That clause 4 stand part of the Bill."

The motion was adopted.

Pandit Thakur Das Bhargava: Sir, I move:

"That in sub-clause (2) of clause 5 of the Bill, the following be omitted; 'touching any point material to the object for which the statement is made or used'."

These words are used in clause 5. If a person makes a false statement which to his knowledge is false or which he does not believe to be true, then this question arises. In ordinary cases when such a case is brought to court, if there is a deliberate mis-statement in respect of a matter which according to the person who makes the statement is not material, but which according to the finding of the court may be material, then if these words are there it would mean that a person can make a deliberate mis-statement and yet escape the clutches of the law. So far as the ordinary provisions of the law are concerned, in sections 191 and 193 of the Indian Penal Code there is no such qualification that the untruth must be material. If we take the ordinary definition of perjury in section 193 any mis-statement to the knowledge of the person making it comes within the mischief of the law. But if there is an exception in regard to this class of persons, one can make a mis-statemeut and yet escape the law by saying that it was not material at all. It is of course for the court to see at the time of awarding punishment what punishment should be awarded. Perjury is proved to the hilt when mis-statement to the knowledge of the deponent is made. I therefore submit that these words should be taken out.

Mr. Deputy Speaker: Is it not for the court to decide whether it is material or not?

Pandit Thakur Das Bhargava: No, in section 193 it is not in the definition. But when they award some harsh punishment then to determine the grant of punishment it is to be seen whether it is a material mis-statement or not.

The Honourable Shri Mohan Lal Saksena: Sir, to cut short the discussion I will accept the amendment because while giving punishment the court will consider whether it is material or not.

Mr. Deputy Speaker: The question is:

"That in sub-clause (2) of clause 5 of the Bill, the following be omitted :

'touching any point material to the object for which the statement is made or used'."

The motion was adopted.

Mr. Deputy Speaker: The question is:

"That Clause 5, as amended, stand part of the Bill"

The motion was adopted.

Clause 5, as amended, was added to the Bill.

Pandit Thakur Das Bhargava: Sir, I move:

"That in sub-clause (1) of clause 6 of the Bill, the words 'not below the rank of sub-inspector' be omitted."

This amendment is very important from the legal point of view. Under section 54 of the Criminal Procedure Code every police officer has the right to arrest any person who is guilty of a cognisable offence. I do not see why in a case of this nature you wish to make an exception that any police officer below the rank of sub-inspector will not have the right to arrest a person guilty of a breach of this law, when a breach of the law is punishable with imprisonment for a year. I would like to see the law made still more stringent in this case and give every person the right to arrest a defaulter of this law and bring him to a police officer. But that would be a discrimination between an ordinary delinquent and this kind of delinquent, and the honourable Minister may be right in repeating it. If a person is a spy every person should have the right to arrest him; but if the honourable Minister is not prepared

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to accept that principle in the present case, there is no point in making an exception here for those who violate the law. You must make these people liable to be arrested by any police officer. Sir, I move.

Mr. Deputy Speaker: Amendment moved:

"That in sub-clause (1) of clause 6 of the Bill, the words 'not below the rank of sub-inspector' be omitted."

The Honourable Shri Mohan Lal Saksena: Sir I do not accept it.

Mr. Deputy Speaker: The question is:

"That in sub-clause (1) of clause 6 of the Bill, the words 'not below the rank of sub-inspector be omitted."

The motion was negatived.

श्री लक्ष्मी नारायण साहू: उपवाचस्पतिजी, इस क्लाज में मैं देखता हूं कि जो अरेस्ट आप करेंगे आप लिखते हैं एनी पर्सन without वारन्ट ठीक नहीं मालूम होता है। आप अरेस्ट करेंगे तो उसे वारन्ट दिखाइये और तब अरेस्ट कीजिये। मैं ऐसा इसलिये यह कहता हूं कि यह गवर्नमेन्ट इतनी पावर ले लेती है सब जगह कि without वारन्ट अरेस्ट करने से ऐसा मालूम होगा यह सरकार अराजक हो गई है और सरकार की इतनी पावर नहीं है कि यह अपना काम ठीक तरह से चला सके। इसी लिये यह ज्यादा पावर ले लेती है।

पंडित ठाकुर दास भार्गव: क्या मेरे दोस्त को मालूम है कि आज हरएक पुलिस अफसर हर एक आदमी को जो ऐसा जुर्म करता है कि उसे छः महीने की सजा हो सके बिना वारन्ट गिरफतार कर सकता है।

श्री लक्ष्मी नारायण साहू: गवर्नमेन्ट ने इतनी पावर ले ली है कि उसे बिना वारन्ट अरेस्ट नहीं करना चाहिये। गवर्नमन्ट को बहुत ताकत नहीं लेना चाहिये। हम लोगों ने एक बिल पास किया है जिस में without वारन्ट पकड़ा जा सकता है।

श्री जसपत राय कपूर: अगर एक आदमी चोरी करता है और दूसरा आदमी जैसे सिपाही उसे देख रहा है फिर भी उसे बिना वारन्ट गिरफ्तार न किया जाय?

(*English translation of the above speech*)

Shri Lakshminarayan Sahu (Orissa: General): Sir, I see that for the arrests that you would make under this clause it has been laid down that, 'any person can be arrested without warrant'; this does not seem proper. If you want to arrest any person then show him a warrant and then arrest him. I wish to submit this for the reason that if the Government assumes such powers as to arrest anybody without warrant then by this action it would appear as if the Government have become anarchial and do not hold enough power so as to perform her duties properly. For this reason only the Government assumes maximum power.....

Pandit Thakur Das Bhargava: Is my honourable friend aware of the fact that these days every police officer can without warrant arrest any person who commits such crimes for which he can be sentenced for 6 months?

Shri Lakshminarayan Sahu: The Government have assumed so much power that it should not make any arrests without warrant. The Government should not assume so much power. We have passed a Bill under which an arrest can be made without warrant.

Shri Jaspat Rai Kapoor (U. P. : General): If a person commits theft, and some other person such as a police constable sees him doing so, still may he not be arrested without warrant?

Mr. Deputy Speaker: I shall now put the clause to the vote.

The question is:

"That Clause 6 stand part of the Bill."

The motion was adopted.

Clause 6 was added to the Bill.

Pandit Thakur Das Bhargava: I do not know the reactions of the honourable Minister. If he does not accept my amendment, I will not move it.

The Honourable Shri Mohan Lal Saksena: I do not accept it for the simple reason that if you give powers to the Provincial Government, the rules framed may not be uniform. Therefore, the Central Government should frame the rules and give powers.

Mr. Deputy Speaker: We shall then take up the rest of the clauses together.

Srijut Rohini Kumar Chaudhuri: I want to speak on clause 7. I am thankful to you for giving me this opportunity to speak. I wanted to speak several times but as I said this terrible barrier is before me—this mike and that fan stopped me from speaking several times.

No one questions the utility of this Bill. But what I question is whether any action will be taken on the provisions of this Bill. There was an Ordinance in force for months, which was identical with this Bill. Has any action been taken in the case of people coming from Eastern Pakistan into Assam? I am not speaking of people forced to come into Assam. But there are lots of other people coming into Assam in defiance of the law. There is no officer there to find out whether these people are coming out of fear or for the sake of aggrandisement. Everyone knows that in India everyone is safe. But if you have any object in passing legislation, will you really take action accordingly? Has any machinery been set up to see whether permits have been taken by the large number of persons coming over here?

As regards exemption, I would say if you remove, under a false plea, persons who out of fear have come to Assam, then you forcibly remove them from Assam and send them back to Pakistan. That would be a most cruel act to commit. You have said in an early part that you could exempt in certain cases. Why should there be any particular exemption? Why not declare that those persons who out of fear, or due to operations, have come from Pakistan to India, they should have the right and the privilege of going back to Pakistan? If you want to have a legislation then see that it is effective and do not have it for the sake of pleasure. You had an Ordinance and you never acted on it. Then shall I be liable to removal when I am going from India to Assam and I have to go through Pakistan? Will there be any repercussions for this Bill or any reprisals because it so happens that the people of Assam are the only ones who have to pass through Pakistan to go to their homes.

The Honourable Shri Mohan Lal Saksena: I think the honourable Member has misapprehended the situation. I have already informed the House that the permit system does not apply to East Pakistan and there is no question of reprisal. If the honourable Member goes to East Pakistan he will not be required to take any permit because no permit system exists on the other side. We have the power and whenever necessary we might apply the Act. So far, we have been advised both by the Provincial Government concerned and our officers that it is not necessary and therefore the honourable Member need have no apprehension that if he goes through Pakistan he will be required to have a permit or that there will be any reprisal against him.

As regards the working of this ordinance, the honourable Member must be aware that since the introduction of this enactment of the Ordinance, we have been able to regulate entry into India from West Pakistan. In the three months preceding July, at which date this permit system came into force, nearly one lakh of Muslims had come over from West Pakistan. Since then our information is that about 40,000 have come, of whom 8,000 have come on a permanent permit and the others have come on temporary permits, which means that they will be going away and if they stay beyond the period for which the permits are granted they are liable to be arrested and externed from India. If they are not prepared to go out of India, then it is just possible they may be kept in jail here. But our policy is to arrest them and send them back to Pakistan.

Mr. Deputy Speaker: The question is:

"That Clauses 7, 8 and 9 stand part of the Bill."

The motion was adopted.

Clauses 7, 8 and 9 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Shri Mohan Lal Saksena: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Deputy Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

DELHI HOTELS (CONTROL OF ACCOMMODATION) BILL

The Honourable Shri N. V. Gadgil (Minister of Works, Mines and Power): **Sir, I move:**

"That the Bill to provide for the control of accommodation in certain hotels in the Province of Delhi, be taken into consideration."

This is a very small Bill. Every Member of the House is aware that the accommodation position in Delhi is very acute. During the war there was an Ordinance, the rules which enabled officers to commandeer accommodation in the various hotels in Delhi. In 1947 it was thought it was not necessary to have this power and the Ordinance was allowed to lapse. But after the 15th August 1947 the situation developed in such a manner that it has now become absolutely necessary to commandeer accommodation in the various hotels in New Delhi and the Delhi Civil Station. What is sought in this Bill is that up to 25 per cent. of the accommodation in any hotel—the names of these hotels are given in the Schedule—will be commandeered by the Estate Officer and it will be called controlled accommodation in hotels. Having

done that it will be open to the Estate Officer to see that no suite or room is vacant and that the utmost use is made of this accommodation. He is permitted under clause 4 to allow the management to give it to temporary residents. "Temporary residence" has been defined in clause 2 of the Bill. Anybody who lives for a period of less than seven days is a temporary resident and the Estate Officer is also empowered to give this available accommodation to government officials and government allottees for any period of time and on such conditions as may be laid down in the order directing the management concerned.

5 P.M.

Mr. Deputy Speaker, you well know how very difficult it is for the Government to secure accommodation at a short notice of three or four days. In the course of the last 18 months nearly 35 countries have established their embassies here. Innumerable trade missions, members of international conferences and goodwill missions, observers and all sorts of people are coming to visit this free country and it is up to us to make them as comfortable as possible, so long they come on missions which are intimately connected with the problems of this country. Whatever accommodation Government has in their own hostels is overfull and it is absolutely necessary that the power, in this Bill should be made available to Government. I therefore move that this motion be taken into consideration.

Mr. Deputy Speaker: Motion moved:

"That the Bill to provide for the control of accommodation in certain hotels in the Province of Delhi, be taken into consideration."

The Assembly then adjourned till a Quarter to Eleven of the Clock on Friday, the 8th April, 1949.